

REPORT
ON
SURVEY OF LABOUR CONDITIONS
IN
METAL EXTRACTING AND
REFINING FACTORIES
IN INDIA



LABOUR BUREAU
MINISTRY OF LABOUR AND EMPLOYMENT
GOVERNMENT OF INDIA

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PREFACE

Industrial labour and its problems have been the subject of interest, though varying in degree and extent, ever since India entered the Industrial field over a century ago. To-day this interest has shifted from prevention of exploitation of labour to providing a fair deal and opportunities for a fuller life to labour. The growing realisation of this approach to problems of labour in India, in the context of present-day planned economic development of the country, is provided a sound base by the Surveys that reveal true conditions of labour.

The last detailed survey on a country-wide basis of the working and living conditions of industrial labour was conducted by the Labour Investigation Committee, appointed by the Government of India in 1944. The years that followed witnessed far-reaching changes in the set-up of the country, its basic policies and national objectives. As a result, the long-term strategy for economic and industrial advance recognises the well-being of the working class as an essential factor in the overall stability and progress of the country. The adoption of this policy, in the changed circumstances of the country, has brought about a new awakening in the ranks of labour and afforded them much relief in various directions through legislation and other measures.

In order to assess the impact of these measures on the industrial labour and to appraise their present conditions, a scheme for a comprehensive Survey of Labour Conditions was incorporated in the Second Five Year Plan, and its execution was entrusted to the Labour Bureau. The Survey was conducted according to a phased programme in 46 industries. This report presents data regarding metal extracting and refining factories covered under the Scheme during 1960-61.

The present Survey differs considerably from similar investigation in the past in matters of design, scope and presentation of data. It has also certain distinguishing features. For example, it furnishes data separately for large and small establishments in various industries, makes a limited study of labour cost in relation to the benefits and amenities that the workers now enjoy, seeks to fill the gap in the statistics of labour turnover and absenteeism in the factory industries and provides first-hand information on certain important aspects of labour management relations. Attempt has also been made to collect and interpret data on certain conventional items in a more meaningful way. In the presentation of the data, the effort has been to reduce the information into quantitative terms so as to serve as a bench-mark for purposes of evaluation of changes at a future date. Recourse to general description has been resorted to only where the other type of treatment was not possible.

In a survey of this magnitude, it was but natural that many problems had to be faced both in planning as well as execution. Most of these flowed from non-availability of up-to-date frames and ab-

sence or improper maintenance of records in many establishments. In many cases the field staff had almost to build up the required statistics, from various sources. This naturally imposed a heavy demand on the managements and the Bureau is deeply indebted to them for their whole-hearted co-operation. The co-operation and valuable assistance received from associations of employers and workers, Labour Commissioners as well as Chief Inspectors of Factories and other officials of State Labour Departments is also gratefully acknowledged.

The debt of gratitude that I owe to the Central Statistical Organisation and the Chief Adviser of Factories for evincing keen interest in the Survey and rendering technical advice on various matters is indeed great. I am also thankful to the Employment Division of the Planning Commission for examining the schedule and instructions and offering useful suggestions. I am equally grateful to the Bureau of Labour Statistics, U.S.A., Social Surveys Division, Ministry of Labour and Social Service, U.K. Economics and Research Branch, Department of Labour, Canada, and Labour Statistics and Research Division, Ministry of Labour, Japan, whose advice was sought on several technical matters.

The primary responsibility for conducting this Survey and bringing out the reports on individual industries was ably borne by Shri B. N. Srivastava, Deputy Director, whose experience and application came into full play in this assignment. On various statistical problems arising out of the Survey, the requisite technical advice was provided by other officers at Headquarters. This Report was drafted by Dr. J. N. Mongia who received valuable assistance from Shri K. L. Lamba, Investigator Grade I. Sarvashri R. C. Madan, B. P. Singla and R. K. Pant, Computers, assisted in computation of data. The field investigations were carried out by Sarvashri N. D. Puri, Kirpal Singh, R. K. Pillay, S. S. Kaul, N. K. Basu, R. L. Bembey and K. C. Sharma under the supervision of Sarvashri G. B. Singh, R. N. Mukherjee and H. K. Gogna. To them all my thanks are due.

The views expressed in this report are not those of the Ministry of Labour and Employment, Government of India.

K. C. SEAL
— Director

LABOUR BUREAU, SIMLA;

Dated the 15th December

CHAPTER I

INTRODUCTION

The Metal Extracting and Refining Industry, the importance of which can hardly be disputed in the national economy, is composed of two groups viz., ferrous and non-ferrous. The factories belonging to the ferrous group are engaged in the production of iron and steel and those of the latter type are engaged in smelting and refining of other metals such as aluminium, copper, zinc, tin, etc.

1.1. *Growth and Location of the Industry—*

Although the modern steel industry in India is relatively of recent origin, iron and steel were amongst the earliest metals manufactured in India. However, on account of various reasons, the iron and steel industry, like so many other old Indian industries, gradually languished with the passage of time. It was only in 1875 that the foundation of the modern Indian iron and steel industry was laid when a blast furnace was built at Kulti. The discovery of the now famous Iron Belt of India in Singhbhum and Orissa during 1903—5, which contains some of the richest iron ore deposits known to the modern world, resulted in the establishment of the Tata Iron and Steel Company to which goes the credit of making steel by modern methods. Next came the Mysore Iron and Steel Works in 1923. The two World Wars and the protective tariff provided the stability to the nascent Industry but not all the conditions for its growth and development. It was only with the usherance of the planned era that the importance of the Industry in the economic development of the country was properly appreciated and it was given the attention it deserved. At the outset of the First Plan it was estimated that the production of iron and steel in the country was hardly 50 per cent. of the then existing volume of demand. During the First Plan period, the three existing units, referred to above, initiated a programme of modernisation and expansion. The Second Five Year Plan laid special emphasis on the expansion of steel industry. As such, during 1956—61, besides the expansion of some of the existing plants, three new one-million tons steel plants were set up in the public sector at Rourkela, Bhilai and Durgapur. All these developments led to a substantial increase in the production of iron and steel. During the Third Five Year Plan, in addition to a fourth steel plant, to be set up in the public sector at Bokaro, additional capacity is being created through a number of new small projects as well as through the expansion of the existing ones.

As regards the production of non-ferrous metals, India is highly deficient in this respect and the need for these metals is being chiefly met through imports. Their production is negligible at present and is mainly confined to aluminium, copper and lead. It is only in the case of aluminium that resources are plentiful and steps have been taken to augment its production.

STATEMENT 1.1

State-wise Distribution of Metal Extracting and Refining Factories in India and Average Daily Employment therein

Year	Bihar	West Bengal	Orissa	Bombay	Madras	Kerala	Mysore	U.P.	Others	Total
1	2	3	4	5	6	7	8	9	10	11
1950	•	4 (26,664)	10 (15,680)	29 (2,741)	2* (26)	—	1 (99)	—	1 (16)	47 (45,220)
1951	•	4 (27,842)	10 (15,312)	25 (2,495)	3 (37)	—	—	1 (N.A.)	—	43 (45,683)
1952	•	4 (27,892)	10 (15,312)	25 (2,495)	3 (37)	—	—	1 (N.A.)	4 (911)	47 (46,597)
1953	•	4 (26,055)	10 (14,372)	23 (1,199)	1 (21)	—	2 (5,346)	—	1 (100)	41 (47,999)
1954	•	4 (25,639)	9 (14,459)	22 (1,054)	1 (19)	—	2 (5,346)	—	1 (390)	39 (46,907)
1956	•	4 (24,634)	10 (25,579)	20 (1,044)	2 (70)	1 (395)	1 (5,104)	1 (11)	1 (20)	40 (56,907)
1957	•	4 (24,449)	11 (27,555)	21 (1,217)	2 (75)	1 (553)	1 (5,104)	2 (17)	—	42 (58,973)**
1958	•	4 (23,153)	12 (23,499)	23 (1,371)	2 (73)	1 (679)	N.A.	3 (26)	—	47 (55,015)
1959	•	4 (24,552)	13 (31,054)	24 (1,570)	2 (50)	1 (667)	3 (8,927)	3 (23)	—	54 (67,747)
1960	•	4 (24,781)	13 (33,573)	35 (2,146)	3 (81)	1 (666)	1 (4,000)	3 (27)	26 (479)	90 (66,715)
1961	•	5 (25,061)	14 (34,989)	41 (2,239)	4 (93)	3 (1,039)	1 (4,000)	2 (17)	8 (2,768)	85 (76,840)

Source:—Indian Labour Year Book upto 1958 and annual returns under the Factories Act for the subsequent years.

* F = one unit employment is not available.

** The figure is low as compared to other years because information for Mysore State was not available.

Note: Up to 1955, the information relates only to factories covered under the Factories Act and submitting returns and from 1956 onwards, it relates to all working factories covered under the Factories Act. Information for 1955 is not available.

N.A.—Not available.

Statement 1.1 shows the progress made by the Metal Extracting and Refining Industry since 1950 inasmuch as it reflects the increase in the number of factories registered under the Factories Act, 1948, together with their average daily employment.

Since the information prior to 1956 relates only to factories submitting returns, the Statement (1.1) does not give a complete picture of the trend. However, it will be seen from the Statement that, during the period 1950—61, the number of factories in the Industry rose from 47 to 85 (i.e., by about 81%) and employment in the Industry went up from 45,220 to 76,840, registering an increase of about 70 per cent.

As regards location, the Industry is mainly localised in the States of West Bengal and Bihar which together account for about 78 per cent. of the total average daily employment and about 22 per cent. of the factories in the Industry. This is obviously due to the advantageous proximity of iron and coal deposits providing essential raw material for the Industry.

1.2. *Genesis of the Survey—*

The first comprehensive survey of conditions of labour in various industries in India on a country-wide basis was conducted by the Royal Commission on Labour during 1929-31. Its report and findings formed the basis of various ameliorative measures. After a lapse of over a decade, i.e., in 1944, the Government of India appointed another committee, viz., the Labour Investigation Committee, to enquire into the conditions of labour in all important industries. The Committee conducted detailed investigations in 38 industries* during 1944-45 and, besides a main report on Labour Conditions in general, published individual reports in respect of various industries. These reports proved to be a useful source of information required for the formulation of labour policy. The years that followed witnessed many changes of far-reaching significance. For instance, many legislative measures were adopted to improve working and living conditions and several schemes were introduced for promoting welfare and social security of workers. The setting up of the adjudication machinery also led to improvement in conditions of work and wages in various industries. Above all, the attainment of Independence by the country gave a new status to the working classes. In view of these developments, the Government as well as the Planning Commission considered it necessary that a fresh comprehensive survey of labour conditions in various industries should be conducted so that it may be possible to assess the effects of the various measures adopted in the past and obtain a precise picture of the existing conditions and problems of labour for purposes of deciding the future course of action. Accordingly, a scheme for the conduct of a Survey of Labour Conditions was included in the Second Five Year Plan, and the Labour Bureau was entrusted with the execution of the scheme.

1.3. *Scope and Design—*

A note attached to the report (Appendix) gives details relating to the sample design and method of estimation adopted. In view of the

* Engineering and Minerals and Metals Industries was one of the Industries covered which included metal extracting and refining factories also.

absence of a complete list of all metal extracting and refining factories, the Survey was confined to establishments registered under the Factories Act, 1948. For purposes of the Survey, information was collected for the country as a whole.

Earlier investigations had indicated the existence of wide variations in conditions of work, standard of welfare amenities, etc., in the establishments of different size-groups in various industries. It was, therefore, considered desirable to collect data separately for establishments of different sizes. In the light of the resources available, and from the point of view of practicability, it was decided that for the purposes of the Survey, units of each industry may be divided into two size-groups—large and small. For this purpose the cut-off point chosen for this Industry was 255 which was approximately equal to the average size of employment. The sampling fraction adopted was 33.3 per cent. for all large-size factories and 16.7 per cent. for small-size factories in the Metal Extracting and Refining Industry. Further details relating to sample design and method of estimation appear in the Appendix.

Statement 1.2 shows the number of metal extracting and refining factories together with the number of workers employed therein (a) in the frame, (b) in the sample, and (c) in the sample

STATEMENT 1.2

Number of Factories and Workers in the Frame, Sample, etc.

Size Group	In the Frame* (1958)		In the Sample Selected		In the Sample Actually Covered	
	Number of Factories	Number of Workers	Number of Factories	Number of Workers	Number of Factories	Number of Workers
1	2	3	4	5	6	7
1. Large Factories . . .	14	60,012	5	12,333	5 (35.7)	12,333 (20.6)
2. Small Factories . . .	34	1,407	6	214	5 (14.7)	164 (11.7)
3. All Factories . . .	48	61,419	11	12,547	10 (20.8)	12,497 (20.4)

Note—Figures within brackets in columns (6) and (7) are percentages to the total number of factories and workers as given in columns (2) and (3) respectively.

*The frame relates to the list of factories for the year 1958. For a few States for which 1958 lists were not available at the time of drawing the sample, lists for 1957 were used for the purpose and for this reason statistics given in columns (2) and (3) may not necessarily tally with the corresponding statistics for 1958 in Statement 1.1.

From the figures given in the Statement (1.2), it would be seen that the Survey ultimately covered nearly 21 per cent. of the metal extracting and refining factories and about 20 per cent. of the workers employed therein. Since only those factories as featured in the

frame were included in the sample and it was not possible to take account of new factories which came into being during the period of the Survey, the information given in this Report should be treated to relate to conditions in the factories which were in existence during the period to which the frame relates and which continued to exist at the time of the Survey.

The data were collected by the personal visits of the specially trained field staff of the Bureau. With a view to testing the schedule* and instructions prepared for the Survey, as also to impart training to the field staff, a pilot enquiry was conducted in September and October, 1959. On the basis of the experience of this enquiry, the schedule and instructions were suitably revised. The main field enquiry was launched in late December, 1959 and ended in June, 1961. Since the enquiry in essence was during 1960-61, the data except where specifically mentioned, should be treated to relate to this period.

*The Schedule used for the Survey has been published in the reports relating to Silk and Jute Industries.

CHAPTER II

EMPLOYMENT

2.1. In order to ensure comparability, data in respect of employment were collected from the sampled establishments for a prefixed date, i.e., 31st December, 1959. On the basis of these data, the total employment strength of the factories registered under the Factories Act, as on 31st December, 1959, is estimated to be about 73,300. This estimate however, differs from the corresponding statistics of the Factories Act (i.e. 67,747) for the year 1959, the main reason for the difference being that whereas the former includes even those employees who though employed in registered factories, are not deemed to be covered under the Factories Act—their number being 5,240—the latter figure does not take such employees into account. Besides, while the former represents the estimate based on the actual number of persons on roll on a particular date, the latter is the average daily employment for the whole year.

2.1. Composition of the Working Force—

2.1.1. Distribution by Broad Occupational Groups—

For the purposes of the present Survey the classification used was the International Standard Classification of Occupations recommended by the I.L.O. Accordingly, workers were classified into the following categories:—

- (a) Professional, Technical and Related Personnel.
- (b) Administrative, Executive and Managerial Personnel.
- (c) Clerical and Related Workers (including Supervisory).
- (d) Production and Related Workers (including Supervisory).
- (e) Watch and Ward and Other Services.

Statement 2.1. gives details in respect of the number of workers on roll in the above-mentioned occupational groups as revealed by the Survey.

STATEMENT 2.1

*Estimated Percentage Distribution of Workers by Broad Occupational Groups**

(December, 1959)

Size Group	Estimated Total Number of Workers	Profes- sional, Technical and Related Personnel	Adminis- trative, Execu- tive and Manage- rial Personnel	Clerical and Related Workers (includ- ing Super- visory).	Produc- tion and Related Workers (includ- ing Super- visory).	Watch and Ward and Other Services
1	2	3	4	5	6	7
1. Large Factories . . .	70,810	5.9	2.0	5.0	81.1	6.0
2. Small Factories . . .	2,460	5.0	1.5	5.9	75.8	11.8
3. All Factories . . .	73,270	5.9	2.0	5.0	80.9	6.2

*Figures relate to workers covered as well as those not covered under the Factories Act.

The Statement (2.1) shows that an overwhelming majority of the working force in the Industry belonged to the group 'Production and Related Workers' (including Supervisory), their percentage to the total being nearly 81. Persons engaged for 'Watch and Ward and Other Services' were the next important group and constituted about 6 per cent. of the total. In large factories, which accounted for about 97 per cent. of the total working force in the Industry, the proportion of various groups was the same as for the Industry as a whole. In small factories though there was no change in the order of preponderance of different groups, the proportion of 'Production and Related Workers' (including Supervisory) in particular was slightly lower (about 76% and the proportion of persons engaged for 'Watch and Ward and Other Services' was significantly higher (about 12%).

2.1.2. *Distribution of Workers by 'Covered' and 'Not Covered' under the Factories Act—*

According to the Factories Act, 1948 a 'worker' has been defined as "a person employed directly or through any agency, whether for wages or not, in any manufacturing process, or in cleaning any part of the machinery or premises used for a manufacturing process, or in any other kind of work incidental to, or connected with, the manufacturing process, or the subject of manufacturing process". During the course of the Survey, it was observed that there was no uniformity with regard to the interpretation of the above definition of 'worker' and consequently, while some units had included certain categories of employees among those covered under the Factories Act, others tended to exclude them. Such workers as were not covered under the Factories Act, formed about 7 per cent. of the total. Details of workers covered and not covered in different broad occupational groups are given in Statement 2.2.

There was no difference of opinion in regard to 'Production and Related Workers' (including Supervisory) and all such workers were considered to be covered under the Factories Act. But the proportion of persons in the group 'Administrative, Executive and Managerial Personnel' who were deemed to be covered was as low as about 7 per cent. As between large and small factories, the percentage of employees considered to be not covered was more in large factories. In small factories while all workers employed as 'Professional Technical and Related Personnel' and 'Clerical and Related Workers' were being treated as covered under the Factories Act, in large factories the proportion of such workers in these two groups was about 67.5 and 88 per cent., respectively. So far as persons engaged in 'Watch and Ward and Other Services' are concerned, nearly all of them were deemed to be covered in small factories but in large factories only about half were treated as covered.

2.2. *Employment of Women—*

The employment of women in the Industry was not of any significant proportion. Though employed in about 27 per cent. of the factories, they constituted about 7 per cent. of the total working

STATEMENT 2.2

Estimated Percentage Distribution of Workers 'Covered' and 'Not Covered' under the Factories Act, 1948 (December, 1959)

Size Group	Professional, Technical and Related Personnel		Administrative and Managerial Personnel		Executive, Clerical and Related Workers (including Supervisory)		Production and Related Workers (including Supervisory)		Watch and Ward and Other Services		Total	
	Covered	Not covered	Covered	Not covered	Covered	Not covered	Covered	Not covered	Covered	Not covered	Covered	Not covered
1	2	3	4	5	6	7	8	9	10	11	12	13
1. Large Factories	67.5	32.5	6.8	93.2	88.0	12.0	100.0	—	50.6	49.4	92.7	7.3
2. Small Factories	100.0	—	21.0	79.0	100.0	—	100.0	—	97.3	2.7	98.5	1.5
3. All Factories	68.4	31.6	7.2	92.8	88.5	11.5	100.0	—	53.6	46.4	92.9	7.1

force. Significantly enough, none of the small factories surveyed employed female labour. The small number of women employed in the Industry might be due to the fact that the Industry being a heavy one, involving greater strain, did not have much scope for female employment. The statistics regarding the employment strength of women and the factories employing them are presented in Statement 2.3.

STATEMENT 2.3

Estimated Proportion of Women Workers in the Metal Extracting and Refining Industry

(December, 1959)

Size Group	Total Number of Factories	Percentage of Factories Employing Women	Estimated Total Number of Workers† Employed	Percentage of Women Workers
1	2	3	4	5
1. Large Factories . . .	14	80.0	70,810	7.2
2. Small Factories . . .	27	—	2,490	—
3. All Factories	41*	27.3	73,270	6.2

† Both Covered and Not Covered under the Factories Act.

*The number of Factories given here is different from that given in Statement 1.20. The difference is due to the fact that only those factories were covered which continued to exist till the time of the Survey.

Of the total women, as many as about 93 per cent., belonged to the group 'Production and Related Workers' (including Supervisory). The group 'Watch and Ward and Other Services' accounted for about 7 per cent. The number of women employed as 'Professional, Technical and Related Personnel', 'Administrative, Executive and Managerial Personnel' and 'Clerical and Related Workers' was almost negligible. Women workers in the group 'Production and Related Workers' (including Supervisory) were generally employed as unskilled *mazdoors* for carrying headload of material from one place to another and for cleaning purposes in some cases.

The employers did not give any particular reason for the employment of women workers except that due to natural aversion of men for carrying head-load, women were found to be more suitable for this work. Some managements stated that for the light nature of jobs, women workers could be employed more profitably.

2.3. Child Labour—

During the course of the Survey, none of the sampled units were found to be employing child labour.

2.4. Time and Piece-rated Workers—

Though both the systems of payment, i.e., time as well as piece rates, were prevalent in the Industry Statement 2.4 would indicate that payment by time predominated and accounted for 99.6 per cent. of production workers.

STATEMENT 2.4

Estimated Percentage Distribution of Production Workers by Methods of Payment (December, 1959)

Size Group	Estimated Total Number of Pro- duction Workers*	Distribution of Workers Employed		Percentage Distribution of Workers by Sex and Method of Payment			
		Time-rated	Piece-rated	Men		Women	
				Time-rated	Piece-rated	Time-rated	Piece-rated
1	2	3	4	5	6	7	8
1. Large Factories . .	57,433	100.0	—	100.0	—	100.0	—
2. Small Factories . .	1,864	87.7	12.3	87.7	12.3	—	—
3. All Factories . .	59,297	99.6	0.4	99.6	0.4	100.0	—

*Covered under the Factories Act.

It will be further noticed from the above figures that in large factories, all 'Production Workers' were time-rated. Piece-rate system existed only in small size factories and piece-rated employees accounted for about 12 per cent. of the total 'Production Workers' in such factories. So far as women workers are concerned, they were all time-rated.

2.5. Contract Labour—

Details about the extent of workers employed through contractors have been presented in Statement 2.5.

STATEMENT 2.5

Estimated Proportion of Workers employed through Contractors
(December, 1959)

Size Group	Total Number of Facto es	Percentage of Factories employing Contract Labour	Estimated Total Number of Production Workers* in the Industry	Percentage of Production Workers employed through Contractors
1	2	3	4	5
1. Large Factories . . .	14	60.0	57,433	25.5
2. Small Factories . . .	27	40.0	1,864	14.3
3. All Factories	41	46.8	59,297	25.2

*Covered under the Factories Act.

It will be seen that the system was prevalent in about 47 per cent. of the factories, and accounted for about 25 per cent. of the total 'Production Workers'.

Contract labour was generally employed only for such items of work which were essentially of intermittent nature, such as loading and unloading, building and construction, ash removing, tramming, supply of coal, rod cutting, etc. The main reasons given by the employers for the employment of such workers were the temporary nature of jobs and relief from the botheration of making supervisory arrangements. In some cases, contract labour was being utilised to substitute absentees in the regular working force.

2.6. System of Recruitment—

The Survey results show that the most common practice in the Industry was to recruit workers directly by the management and about 84 per cent. of the workers had been so recruited—approximately 70 per cent. through labour offices of the managements, 13 per cent. at the factory gate, and the rest few through departmental heads. The services of Employment Exchanges for recruitment purposes had been availed of by large-size factories only and accounted for the recruitment of about 15 per cent. of the workers in the Industry. General Managers/Head Offices were responsible for the recruitment of only a few workers, i.e., those required for administrative, technical and specialised jobs.

While in large-size factories, a majority of the workers (73%) had been recruited through labour offices, in small size factories, which generally did not have labour offices, the majority of the workers (nearly 81%) had been recruited direct at the factory gate.

It is a welcome feature of the Industry that the practice of recruiting workers through intermediaries like *mistries* or jobbers, recruiters, labour contractors, etc., was not in vogue in any of the units surveyed.

2.7. Employment Status—

During the course of the Survey information pertaining to the classification of 'Production Workers' into different categories of employment status was collected. Such information appears in Statement 2.6. It may be pointed out that classification of workers into various categories, is obligatory for units employing 100 or more workers under the Industrial Employment (Standing Orders) Act, 1946. In the case of those units where framing of such orders was not obligatory or the same had not been otherwise framed, reliance had to be placed on the version of the managements regarding the employment status of their workers.

From the Statement (2.6), it would appear that, in the Industry as a whole, nearly 91 per cent. of the 'Production Workers' were permanent and about 7 per cent. temporary. Probationers, casual workers, *badlis* and apprentices accounted for the rest. The percentage of permanent workers in small factories was quite low as compared to large factories, the respective figures being about 60 and 93. While in large factories not a single worker was found to have been employed as a casual hand, in small factories they constituted about 22 per cent. of the total production workers. Similarly the proportion of temporary workers in small factories was quite high (17%) than in large factories (7%).

2.8. Length of Service—

During the course of the present Survey, a study of the distribution of workers according to their length of service was made in respect of 'Production Workers', covered under the Factories Act and employed directly by the managements. The data are presented in Statement 2.7.

STATEMENT 2.6

Estimated Percentage Distribution of 'Production and Related Workers', by Employment Status (December, 1959)

Size Group	Estimated Total Number of Production Workers*	Percentage of					
		Permanent Workers	Probationers	Temporary Workers	Badlis	Casual Workers	Apprentices
1	2	3	4	5	6	7	8
1. Large Factories . .	42,782	92.6	0.3	6.6	—	—	0.5
2. Small Factories . .	1,597	59.8	—	17.2	0.5	22.5	—
3. All Factories . . .	44,379	91.4	0.3	7.0	0.0	0.8	0.5

* Covered under the Factories Act, excluding contract workers.

STATEMENT 2.7

Estimated Percentage Distribution of 'Production and Related Workers' Employed Directly According to Length of Service.

(December, 1959)

Size Group	Estimated Total Number of Production Workers*	Percentage Distribution of Workers with Length of Service of			
		Under 1 year	1 year and above but less than 5 years	5 years and above but less than 10 years	10 years and above
1	2	3	4	5	6
1. Large Factories . . .	42,782	10.6	16.8	15.6	57.0
2. Small Factories . . .	1,597	49.8	48.8	—	1.4
3. All Factories	44,379	12.0	17.9	15.0	55.1

* Covered under the Factories Act, excluding contract workers.

It is significant to note that in the Industry as a whole, majority of the 'Production Workers' (55%) had 10 or more years of service to their credit as on 31st December, 1959. The statistics collected further reveal that the working force was more stable in large establishments where about 73 per cent. of the 'Production Workers' had put in more than 5 years of service. In small establishments the proportion of such workers was negligible. The labour turnover data analysed elsewhere in the Report (Section 2.10) also confirm the above conclusion. The main reason for this seems to be that the large factories, besides offering higher wages, as revealed by information on wages and earnings in Chapter III, were in existence since long whereas most of the small factories surveyed were of comparatively recent origin.

2.9. Absenteeism—

Data pertaining to absenteeism were collected only in respect of 'Production Workers' employed directly excluding casual and badli workers. The information collected for the 12 months of 1959 is presented in Statement 2.8.

In the Industry as a whole, the absenteeism rate ranged from about 6.6 per cent. in September to about 14.6 per cent. in May, the average for the year being about 10.4 per cent. Monthly variations seem to be largely due to such factors as harvesting, sowing, religious and social functions, etc. Since the record of absences by causes was usually not kept by the managements, it was not possible to collect statistics of absences by causes. Except for some variations in the rates of absenteeism during certain months, there was no appreciable difference in large and small size factories in this respect.

STATEMENT 2.8

Estimated Absenteeism Rate in the Metal Extracting and Refining Industry*

(During 1959)

Month	Large Factories	Small Factories	All Factories
1	2	3	4
January	8.9	8.7	8.9
February	11.1	7.8	11.0
March	11.3	12.1	11.3
April	11.0	9.8	11.0
May	14.6	13.1	14.6
June	13.2	12.4	13.2
July	11.5	9.0	11.4
August	9.1	10.9	9.1
September	6.5	9.3	6.6
October	9.5	8.8	9.5
November	9.9	10.7	9.9
December	8.6	10.5	8.7
Overall	10.4	10.3	10.4

Percentage of man-days lost to the man-days scheduled to work.

Except for 2 large establishments, representing 40 per cent. of large size factories and nearly 14 per cent. of all factories, no other unit surveyed had adopted any special measure to reduce absenteeism. In one of these units, any absence, other than leave with pay, entailed reduction in the *ad hoc* amount of production bonus payable every month. In the other unit, five workers with maximum attendances during the year were awarded cash prizes of the value of Rs. 25, Rs. 20, Rs. 15, Rs. 10, and Rs. 5 in the order of their attendances.

2.10. Labour Turnover—

Data in respect of labour turnover were also collected for the same categories of workers as in the case of absenteeism during the course of the Survey. The information collected for the 12 months of 1959 is presented in Statement 2.9.

STATEMENT 2.9

*Estimated Monthly Rates of Accession and Separation
(in Percentages)**(During 1959)*

Month	Rate of Accession			Rate of Separation		
	Large Factories	Small Factories	All Factories	Large Factories	Small Factories	All Factories
1	2	3	4	5	6	7
January	2.8	—	2.7	2.3	—	2.3
February	1.7	6.0	1.8	1.9	2.0	1.9
March	2.0	0.7	1.9	1.3	2.0	1.4
April	2.3	4.1	2.3	2.5	8.9	2.7
May	4.4	22.8	4.9	1.6	1.2	1.6
June	2.7	9.8	2.9	3.9	12.5	4.2
July	2.0	3.8	2.1	1.5	14.6	1.8
August	2.1	2.5	2.1	2.2	1.9	2.2
September	3.0	3.1	3.0	2.5	0.6	2.4
October	2.5	2.4	2.5	3.1	2.4	3.1
November	2.0	1.2	2.0	2.6	1.2	2.5
December	2.8	0.6	2.7	2.7	2.5	2.7
Average of 12 months	2.5	4.9	2.6	2.3	4.3	2.4

It would be seen that the overall average monthly accession and separation rates during the year 1959, for the Industry as a whole, were not very high, being of the order of about 2.6 and 2.4 per cent. respectively. The rate of accession varied from 1.8 per cent. in February to 4.9 per cent. in May. The separation rate ranged from 1.4 per cent. in March to 4.2 per cent. in June. In the case of large-size units, the position was more or less the same as for the Industry. However, in small-size establishments, apart from the general high rates of accession (4.9%) and separation (4.3%), the fluctuations from month to month were also wide. While the accession rate varied from nil in January to about 22.8 per cent. in May, the separation rate varied from nil in January to about 14.6 per cent. in July. An extremely high accession rate in May was due to almost doubling of the working force in one of the factories, evidently to comply with some sudden demand. The extra working force was dispensed with in the subsequent two months as a result of which separation rate was high in these months.

Attempt was made to collect the data on separations by causes also. Since there were no records of causes, reliance had to be placed on the version of managements. From the information presented in Statement 2.10 it would appear that nearly 58 per cent. of the separations were due to discharge or dismissal, and about 40 per cent. were accounted for by quits*. In small-size units however, almost all separations were accounted for by quits.

STATEMENT 2.10

Estimated Percentage Distribution of Separations by Causes (During 1959)

Size Group	Causes		
	Discharge or Dismissal	Quits	Retirement or Death
1	2	3	3
1. Large Factories	60.6	36.7	2.7
2. Small Factories	1.3	98.7	—
3. All Factories	57.6	39.8	2.6

2.11. Training and Apprenticeship—

An encouraging feature of the Industry, as revealed by the Survey, is the existence of a wide-spread system of training and apprenticeship. It is estimated that nearly 4.0 per cent. of the factories in the Industry had made arrangements for training their workers. Such facilities existed more in larger establishments than in smaller ones, their respective percentages being 80 and 20. These facilities had been provided on *ad hoc* basis and there was no regular scheme as such.

As regards the persons entitled to receive training, the employers generally exercised their discretion and usually preferred sons and other relatives of their own employees. The training was usually imparted in such trades as mechanical/electrical/chemical engineering, drilling, turning, foundry, coke oven, and fuel technology, etc. The period of training varied from one to five years depending upon the nature of the trade and the degree of skill aimed. In all cases the trainees were paid some cash remunerations the amount of which varied from Re. 1.00 to Rs. 2.73 per day, depending upon the nature of the trade and the period of training. As regards employment subsequent to training, generally there was no such undertaking on the part of the managements but in some cases it was stated that the apprentices were usually absorbed.

* Quits are termination of employments initiated by employees because of acceptance of jobs elsewhere, dissatisfaction, marriage, maternity, ill health, unauthorised absence, etc.

CHAPTER III

WAGES AND EARNINGS

3.1. Wage Revisions—

Information collected during the course of the Survey indicates that there has been no standardisation of wage rates in the Industry either on an all-India or regional basis and the wage structure existing at the time of the Survey was found to have developed on the basis of factors like prevailing wage rates in the area, collective bargaining, conciliation, adjudication, etc. For purposes of studying recent influences on wage structure, information was collected on number of wage revisions in each sampled establishment since 1956 and the methods through which revisions were effected. The results show that wages had been revised in about 20 per cent. of the units in the country. In the case of one-third of the units, these revisions were effected as a result of adjudication awards, in an equal number through conciliation proceedings and in the rest voluntary agreements between the employees and the employers led to the fixation of wages. In each case, there was only one wage revision.

3.2. Pay periods—

The information about the different pay periods prevalent in the Industry is given in Statement 3.1. In most of the units employing contract workers information regarding pay periods of persons employed through contractors could not be ascertained as no records were available and hence the information given here relates to only persons employed by managements directly.

STATEMENT 3.1

Estimated Percentage Distribution of Workers According to Pay Periods in the Metal Extracting and Refining Industry*
(December, 1959)

Size Group	Percentage of workers whose pay period was		
	Month	Fortnight	Week
1	2	3	4
1. Large Factories	34.4	61.3	4.3
2. Small Factories	59.2	16.0	24.8
3. All Factories	35.4	59.4	5.2

* Covered under the Factories Act and employed directly.

It would be seen that, in the Industry as a whole, majority of workers (about 59%) received their wages every fortnight. Those who received their pay packets every month constituted about 35 per cent. of the total and the rest were being paid weekly. A significant difference was observed in this respect between the large and small factories. While in large factories a majority of the workers (about 61%) received their pay packets every fortnight, in small factories the pay period for majority of the workers (about 59%) was a month. The percentage of workers who received their wages every week was as high as 25 in small factories whereas in large factories the proportion of such workers was quite low.

3.3. Earnings—

During the course of the Survey, information relating to man-days worked and basic wages, dearness allowance and other allowances earned by workers during one pay period immediately preceding the specified date (i.e., 31st December, 1959) was collected from each of the sampled units. The data were collected in respect of workers covered under the Factories Act under the broad categories of 'all workers', 'Production Workers', 'Lowest-paid Production Workers', 'Clerical', and 'Watch and Ward and Other Services'. Since 'Production Workers' constituted the bulk of the working force, information in respect of such workers was collected separately for men and women. Data relating to earnings of workers by occupation were, however, not collected as the Labour Bureau had already conducted a detailed occupational wage survey in 1958-59. It was found in the course of the Survey that in most of the cases no records were available in respect of workers employed through contractors and hence no information could be collected in respect of them.

3.3.1. Earnings of 'All Workers' and 'Production Workers'---

Information collected shows that the average daily earnings or 'all workers' in the Metal Extracting and Refining Industry were about Rs. 6.39 during December, 1959. The details are given in Statement 3.2.

STATEMENT 3.2.

Estimated Average Daily Earnings of Workers in the Metal Extracting and Refining Industry
(December, 1959)

Size Group	All@ Workers	(In Rupees)		
		Production Workers*		
		Men	Women	All
1	2	3	4	5
1. Large Factories . . .	6.53	5.53	3.20	5.44
2. Small Factories . . .	2.76	2.56	—	2.56
3. All Factories	6.39	5.43	3.20	5.35

@ All workers covered under the Factories Act.

* Covered under the Factories Act and employed directly.

It will be seen that the average daily earnings of 'all workers' as well as 'Production Workers' in small establishments were significantly less than those of their counterparts in large units, the respective figures for 'all workers' being 2.76 and Rs. 6.53. The average daily earnings of 'Production Workers' were Rs. 5.35. Their earnings, both in large factories and in the Industry as a whole, were about 16 per cent. less than those of 'all workers'. Higher average for 'all workers' is obviously due to higher pay received by managerial, technical and administrative personnel included in this group. Amongst production workers, the average daily earnings of women workers were Rs. 3.20 i.e., 59 per cent. of those of men. This was mainly due to the fact that while the male 'Production Workers' included even highly skilled workers, women 'Production Workers' were employed on low-paid odd jobs.

3.3.2. Lowest-paid Production Workers—

During the course of the Survey, data in respect of the earnings of the lowest-paid 'Production Workers' were collected separately for those employed direct by managements, as well as for those employed through contractors. Such workers were generally found to be employed as *Mazdoors* or *Khalasis* in various departments. The average daily earnings of the lowest-paid 'Production Workers' *vis-a-vis* 'all workers' are given in Statement 3.3.

STATEMENT 3.3.

Estimated Average Daily Earnings of Lowest Paid Production Workers (December, 1959)

(In Rupees)

Size Group	Average daily earnings of lowest-paid			Average daily earnings of 'All Workers' in the Industry
	Direct workers	Contract workers	All workers	
1	2	3	4	5
1. Large Factories . . .	3.46	1.46	2.86	6.53
2. Small Factories . . .	1.67	1.87	1.67	2.76
3. All Factories . . .	3.29	1.46	2.78	6.39

It will be seen from the Statement (3.3.) that the average daily earnings of the lowest-paid 'Production Workers,' mostly employed as *mazdoors*, were about 44 per cent. of those of 'all workers'. As in the case of 'Production Workers' and 'all workers' (Statement 3.2), lowest-paid 'Production Workers' in small factories received much less than those in large factories, the respective average daily earnings being Rs. 1.67 and Rs. 2.86. The lowest-paid 'Production Workers' employed through contractors received much less than their counterparts employed directly, the respective average daily earnings being Rs. 1.46

and Rs. 3.29. However, among small factories, the average daily earnings of contract workers which have been estimated to be higher than those of the directly employed ones, could be due to the fact that one of the small factories surveyed which did not employ any contract worker, was located in a low-wage area resulting in the lowering of the average daily earnings of the lowest-paid directly employed 'Production Workers.'

3.4. *Components of Earnings—*

Data in respect of earnings collected during the course of the Survey reveal that the earnings of the workers primarily consisted of basic wages and dearness allowance. The incidence of other allowances was comparatively little. The break-up of the total earnings, in respect of 'all workers', is given in Statement 3.4.

3.4.1. *Basic Earnings—*

The term 'basic earnings' includes basic wages and dearness allowance wherever paid separately. This component alone accounted for nearly 64 per cent. of the total earnings of the workers in the Industry as a whole. In small factories, this percentage was as high as 88, indicating that workers in such factories comparatively received little amount on account of other allowances.

It was found that dearness allowance in addition to basic wages was being paid separately in only about 47 per cent. of the factories, representing all large and 20 per cent. of small ones. In the rest (i.e., 53%), only consolidated wages were being paid. In about 71 per cent. of such units, i.e., where dearness allowance was being paid separately, the amounts paid varied according to income groups and in only 29 per cent. it was linked to the Consumer Price Index Numbers.

3.4.2. *Production/Incentive Bonus—*

The Survey results show that next to basic earnings the most important element of the earnings of the workers in the Industry was production/incentive bonus. This component formed about 16 per cent. of the total earnings of workers in the Industry as a whole. The contribution of production/incentive bonus to total earnings was fairly high in the case of large factories (16.5%) but in small factories it was quite low. This was evidently due to the fact that whereas the practice of paying production/incentive bonus was found to be in vogue in all large factories, among smaller ones it existed in only one of the five units surveyed. Thus, in the Industry as a whole, it is estimated that it existed in only about 47 per cent. of the factories.

The rate of bonus and the categories of workers entitled to receive it varied from unit to unit. The managements of roughly 14 per cent. of the factories paying such bonus declined to give details regarding the rates and categories of workers covered as they considered the schemes to be confidential. In others, the schemes were generally applicable only to 'Production Workers' and the amount was payable only on production exceeding the prefixed norms in various departments. In about 14 per cent. of the factories the amount was payable quarterly, while in the rest it was being paid in each pay period.

STATEMENT 3.4

Estimated Average Daily Earnings by Components of 'All Workers' in the Metal Extracting and Refining Industry. (December, 1959)

(In Rupees)

Size Group	Basic Earnings (Basic + D.A. or consolidated wages)	Production Incentive Bonus	Night Shift Allowance	House Rent Allowance	Transport Allowance	Over-time pay	Other allowances	Money value of Concessions in kind	Total
1	2	3	4	5	6	7	8	9	10
1. Large Factories . . .	4.14 (63.4)	1.08 (16.5)	—	0.07 (1.1)	—	0.88 (13.5)	0.27 (4.1)	0.09 (1.4)	6.53 (100.0)
2. Small Factories . . .	2.44 (38.4)	0.12 (4.3)	—	0.01 (0.4)	—	0.19 (6.9)	—	—	2.76 (100.0)
3. All Factories . . .	4.08 (63.8)	1.04 (16.3)	—	0.07 (1.1)	—	0.85 (13.3)	0.26 (4.1)	0.09 (1.4)	6.39 (100.0)

Note—Figures within brackets are percentages.

3.4.3. *House Rent Allowance—*

House rent allowance, though being paid in about 34 per cent of the factories in the Industry, constituted an almost insignificant proportion of the total earning of workers in the Industry. This is largely due to the fact that such an allowance was generally being paid only to certain limited categories of workers such as watch and ward staff, production managers, machine operators, etc. The rate of house rent allowance varied from Rs. 3 to Rs. 5 per month and in a few factories it was 10 per cent. of basic wages.

3.4.4. *Overtime Pay—*

Earnings accruing on account of overtime work were quite sizeable and accounted for about 13 per cent. of the total earnings. It would be further clear from Statement 3.4 that the overtime pay amounted to only about 7 per cent. of the total earnings in the small factories as against about 13 per cent. in large ones..

3.4.5. *Other Allowances—*

While none of the units surveyed was paying any night shift, transport or conveyance allowance, the proportion of other cash allowances, such as washing allowance, compensatory allowance, special duty allowance, etc., was not very significant. These allowances were being paid in only one of the large size factories surveyed and were admissible only to certain individuals.

3.4.6. *Other Concessions in Kind—*

In one of the large factories surveyed certain concessions in kind like grain concession, canteen concession, special hospital facility, free fuel, coal, lighting, etc., were being provided to workers. The combined money value of all such concessions was not very significant.

3.4.7. *Attendance Bonus—*

There was no scheme as such in the Industry except that in one of the large size sampled units, five workers with maximum attendances during the year were awarded each year cash prizes of the value of Rs. 25, 20, 15, 10 and 5 in order of their attendances. Since the amount was payable only once in a year, it does not feature as a component of the regular earnings.

3.4.8. *Annual Bonus—*

The practice of paying annual bonus was found to be in existence in 60 per cent. of large and 20 per cent. of small factories surveyed or about 34 per cent. of the factories in the Industry. There was no regular scheme for regulating payment of bonus in any of the sampled factories. In about 80 per cent. of the factories paying bonus, the payment was being made voluntarily by the managements. In the rest, the payment was found to have been made under an adjudication award. Usually all workers were entitled to this bonus. However, in about 20 per cent. of the factories paying bonus, only non-production workers in receipt of salary up to Rs.400/- per month

were entitled to this bonus. As regards conditions of eligibility, while there was no such condition in about 20 per cent. of the units in the rest, bonus was payable only to those workers who had completed continuous service varying from 6 months to one year.

The rate of payment varied from unit to unit. In about 20 per cent. of the factories it was 1/12th of the total basic wages earned during the year. In an equal number of units the rate was 1/12th of total earnings during the year for persons belonging to the group 'Watch and Ward and Other Services' and 1/6th for other categories of workers. In another 40 per cent. of units the rate was 3 months' basic wages. In the remaining 20 per cent., the rate of payment was one week's basic wages for every 2 per cent. of the net dividend paid to the share holders for equity shares, and on this basis the last bonus paid worked out to 21 weeks' basic wages. The mode of payment was cash in all cases.

3.4.9. Festival Bonus—

The payment of festival bonus was found to be in vogue in only one of the large factories surveyed. In this factory such a bonus had been paid almost regularly since 1953 on the basis of a mutual agreement between the management and workers. The bonus was being paid only to those production and related workers who had put in at least 6 months' continuous service. The rate of payment, for 1959 was 15 days' basic wages and dearness allowance for service up to one year and 30 days' basic wages and dearness allowance for service above one year.

3.4.10. Profit Sharing Bonus—

Only one of the large factories surveyed was paying this bonus to its workers. Though it was not being treated as a regular scheme, the bonus had been paid almost regularly as a result of mutual agreements between the management and the workers from time to time. The bonus was payable to all workers who had been in continuous service throughout the bonus year. The rate of bonus agreed for 1959-60 was 25 per cent. of the amount of money distributed to the equity share holders of Rs. 46.8 lakhs whichever was greater, subject to a maximum limit of Rs. 48.8 lakhs. On this basis, the bonus paid worked out to nearly 14 days' basic wages per worker.

3.5. Earnings of Clerical and Watch and Ward Staff—

Besides the earnings of 'all workers' and 'Production Workers', discussed earlier, information about the earnings of 'Clerical Employees' and persons falling in the group 'Watch and Ward Staff and Other Services' was also collected and is given in Statement 3.5.

The average daily earnings of 'Clerical and Related Workers', for the Industry as a whole, were Rs.10.64 as against Rs.6.39 and Rs.5.35 for 'all workers' and 'Production Workers', respectively (Statement 3.2). Thus, on the average, clerical and related workers earned much more than 'all workers' or 'Production Workers', and this was so both in large and small size factories. As regards Watch and Ward Staff and persons in Other Services, they, on an average, earned Rs. 5.20 per day and compared well with the earnings of the 'Production Workers' or 'all workers'. However, it may be noted that 'Clerical and Related workers' and 'Watch and Ward Staff' were earning much less in small factories than their counterparts in large factories.

STATEMENT 3.5

Estimated Average Daily Earnings of Clerical and Watch and Ward Staff

(December, 1959)

		(In Rupees)	
Size Group		Clerical and Related Workers (including Supervisory Staff)	Watch and Ward and Other Services
1		2	3
1. Large Factories	10.82	5.63
2. Small Factories	4.80	1.97
3. All Factories	10.64	5.20

3.6. Fines and Deductions—

The information collected reveals that the practice of imposing fines on workers was in vogue in only 2 sampled units, representing 20 per cent. of the units in the Industry. It would appear that even in these units, the practice was followed on a very restricted scale. It has been reported that the amount of fines imposed was within the limit prescribed under the Payment of Wages Act and the list of acts of commission or omission for which fines were imposed was duly approved by the prescribed authority and was displayed on notice boards. While in one establishment the fine fund was not utilised for any purpose, in the other it was spent on welfare measures, such as dispensary. However, this latter unit was not maintaining any register of fines imposed as prescribed under the Payment of Wages Act.

So far as deductions from wages of workers are concerned, wherever made, they were in accordance with the provision of the Payment of Wages Act.

CHAPTER IV

WORKING CONDITIONS

4.1. Shifts—

The Survey has shown that all large factories and 20 per cent. of small factories surveyed were working 3 shifts daily. In the Industry, as a whole, it is estimated that nearly 47 per cent. of the factories were working three shifts daily and the rest (i.e., 53%) worked one shift daily. All those factories which worked more than one shift had a night shift as well. In none of them, night shift workers were being provided any amenity like free tea, etc., or night shift allowance. However, a regular system of transferring workers from day shift to night shift and *vice-versa* existed in all these units. The period after which such a change-over was being effected was a week in large factories and two days in the small factories.

4.2. Hours of Work—

Data collected show that no metal extracting and refining factory in the country had more than an 8-hour day and a 48-hour week. In all those establishments which worked three shifts daily (i.e., about 47%), the number of hours worked daily was $7\frac{1}{2}$ in each shift and weekly hours were 45. In the remaining units (i.e., about 53%) which worked one shift only, the working hours were 8 per day and 48 per week. Night shift hours for all the factories having such shift were the same as for the day shift, i.e., $7\frac{1}{2}$ hours. For contract workers, hours of work did not exceed 8 per day. Details appear in Statement 4.1.

STATEMENT 4.1

Daily Hours of Work in Metal Extracting and Refining Factories (1960-61)

Size Group	Total Number of Factories.	Estimated Percentage of Factories where			
		Daily hours of work for majority of adult workers were		Night Shift Hours were	
		$7\frac{1}{2}$	8	$7\frac{1}{2}$	8
1	2	3	4	5	6
1. Large Factories . .	14	100.0	—	100.0	—
2. Small Factories . .	27	20.0	80.0	100.0	—
3. All Factories . .	41	47.3	52.7	100.0	—

All the factories surveyed stated that they complied with the provisions of the Factories Act regarding rest intervals. About 74 per cent. of the factories stated that they allowed a rest interval of half an hour to their employees. In some of these, however, it was found that the timings were not fixed and the managements maintained that workers took rest for half an hour by rotation. In the rest (i.e., 26%) the duration of rest interval allowed was one hour. The daily spread-over working hours did not exceed 9 hours in any factory. Distribution of factories according to the duration of rest interval allowed and the spread-over of working hours is given in Statement 4.2.

The prescribed timings for the working hours were being observed in all the factories surveyed.

4.3. *Dust and Fumes—*

The Survey results show that not many factories in the Industry were engaged in manufacturing processes giving off considerable dust, gases or fumes. Only 40 per cent. of the large size factories surveyed, constituting about 14 per cent. of the factories in the Industry as a whole, reported that their processes like grinding, crushing and mixing in Paste Plant, refining in Melting Shop and casting in Foundry Section did give off considerable dust. In all such factories, the precautionary measures taken were in the form of either isolation of the dusty processes or provision of local and/or general exhaust ventilation. Dust masks had also been provided to workers in half of these factories. In the rest, workers engaged in these processes were found to have covered their mouth and nose with a piece of cloth. In a majority of the units having dusty processes, the house keeping was found to be satisfactory.

Sixty per cent. of the large size factories surveyed, accounting for about 20 per cent. of the factories in the Industry, stated that some of their manufacturing processes, such as electro cells, calcination, mixing, pitch melting, pickling, ore melting and coke oven plant, etc., did give off fumes, vapours or gases. However, all the units had isolated these obnoxious processes and provided both local and general exhaust systems. Besides, two-thirds of the factories had provided gas masks for the use of their workers.

4.4. *Seating Arrangements—*

Under the Factories Act, 1948, it is obligatory on the part of the managements to make suitable arrangements for sitting for all such workers as are obliged to work in a standing position so that they may take advantage of any opportunity for rest which may occur in the course of work. This aspect was enquired into during the course of the Survey and it was found that about 60 per cent. of the factories in the Industry had made seating arrangements. The proportion of such factories was higher in small undertakings (80%) than in the large ones (20%). Of those not providing such facilities, some maintained that it was not possible for them to do so either because of lack of space or the nature of the work. Others felt that the provision of such facilities might hamper the progress of work and thus retard production.

STATEMENT 4.2

Estimated Percentage Distribution of Factories According to Duration of Spread-over and Rest Intervals, etc.

(1960-61)

Size Group	Total Number of Factories	Percentage of Factories where Spread-over was												Percentage* of Factories where average Rest Interval was			
		Day Shifts				Night Shifts				Day Shifts				Night Shifts			
		8 hours	8½ hours	9 hours	8 hours	More than 8½ hours	½ hour	one hour	More than one hour	½ hour	one hour	More than ½ hour	More than ½ hour	½ hour	one hour	More than ½ hour	More than ½ hour
1	2	3	4	5	6	7	8	9	10	11	12						
1. Large Factories	14	100.0	—	—	100.0	—	100.0	—	—	100.0	—	—	—	—	—	—	—
2. Small Factories	27	20.0	40.0	40.0	100.0	—	60.0	40.0	—	100.0	—	—	—	—	—	—	—
. All Factories	41	47.3	26.3	26.4	100.0	—	73.7	26.3	—	100.0	—	—	—	—	—	—	—

4.5. Conservancy—

It is obligatory for every factory to maintain adequate number of latrines and urinals of prescribed standard for the use of workers. All the units surveyed had provided latrines for the use of their workers. In about 53 per cent. of the factories they were of water-borne septic tank type, in about 33 per cent. they were dry type pan and the rest were of water-borne sewer type. Every where permanent structures had been built for the purpose of affording adequate privacy. Floors of all latrines were impervious but walls were found to have been plastered in about 93 per cent. of the factories. Water taps near the latrines, however, had been provided in only about 74 per cent. of the factories. All those units which employed women workers had made separate arrangements for such workers.

The compliance in regard to urinals, however, was not as good as in the case of latrines. Only about 74 per cent. of the factories had urinals. Though the construction of the urinals was of a temporary nature in all such factories, the floors were invariably of an impervious type and walls were plastered in about 91 per cent. of the factories. In about 82 per cent. of the factories, the urinals provided were found to have been screened adequately. Among the factories providing urinals and employing female workers, about one-fourth had not made separate arrangements for their women employees.

4.6. Leave and Holidays—

Annual leave (i.e., earned leave) with pay is the only leave facility which is required to be granted by the employers to the employees as a statutory obligation, by virtue of Section 79 of the Factories Act, 1948. All other types of leave have come into vogue as a result of voluntary decision of managements, agreements between the employees and the employers or under some adjudication awards. Statement 4.3 shows the types of leave and holidays that the workers in the Metal Extracting and Refining Industry were enjoying at the time of the Survey.

STATEMENT 4.3

Estimated Percentage of Metal Extracting and Refining Factories Granting Various Types of Leave.
(1960-61)

Size Group	Total Number of Factories	Percentage of Factories Granting			
		Earned Leave	Sick Leave	Casual Leave	Festiva and National Holidays
1	2	3	4	5	6
1. Large Factories . . .	14	100.0	100.0	60.0	100.0
2. Small Factories . . .	27	80.0	40.0	40.0	80.0
3. All Factories . . .	41	86.8	60.5	46.8	86.8

4.6.1. *Earned Leave—*

The present Survey has shown that excepting about 20 per cent. of small factories, all others were granting earned leave to their workers. For the Industry as a whole the proportion of such factories was about 87 per cent. As regards the period of leave, qualifying conditions and the rate of payment, the managements generally followed the provisions of the Factories Act. In a few factories, clerical and supervisory staff enjoyed better benefits. They usually were entitled to 30 days' leave in a year with normal pay.

In order to assess the extent to which the workers had actually enjoyed the benefit of earned leave during 1959, data were collected in respect of such workers during the course of the Survey. The findings appear in Statement 4.4.

The figures in Statement 4.4. show that nearly 62 per cent. of the workers in the Industry availed of earned leave with pay during 1959. The proportion of such workers was higher in large factories than in small ones. As regards the period of leave availed of, the largest group, both in large as well as small factories, was of those workers who enjoyed leave for a period of over 10 and up to 15 days. The proportion of workers who enjoyed longer periods of leave was higher in large factories (55%) than in small ones (8%).

4.6.2. *Casual Leave—*

Besides annual leave with wages, workers in about 47 per cent. of the factories in the country (Statement 4.3) were also enjoying the benefit of casual leave with pay. In about half of such factories, casual leave was admissible to all the workers and in the rest the benefit was available only to a few categories of workers, such as supervisory staff, managerial, clerical and watch and ward staff.

In about 71 per cent. of the units granting casual leave, it was allowed only up to 10 days in a year. In the rest (i.e., 29%) the period of casual leave allowed varied from over 10 to 15 days. The rate of payment for the period of casual leave was full normal wages in all cases. All the units granting casual leave had prescribed some qualifying conditions, e.g., the completion of some specified period of service (varying from 3 to 12 months) or acquiring of permanency.

4.6.3. *Sick Leave—*

The benefit of sick leave with pay was being enjoyed by workers in about 60 per cent. of the factories in the Industry. In two-thirds of such factories, the benefit was available under the Employees' State Insurance Scheme and in the remaining one-thirds, it was being granted by the managements. However, in about 34 per cent. of the factories where the Employees' State Insurance Scheme was in force, 10 to 12 days' sick leave was being granted by the managements also to all their permanent workers. Of course, for such days the workers were paid only the difference between their normal wages and the amount payable by the Employees' State Insurance Corporation.

STATEMENT 4.4

Estimated Proportion of Workers Granted Earned Leave with Pay (During 1959)

Size Group	Estimated Average Daily Employment in 1959	Estimated Number of Workers who en- joyed Leave	Percentage of Workers who enjoyed leave to the total employed	Percentage Distribution of Workers who enjoyed leave						
				Upto 5 days	Over 5 upto 10 days	Over 10 upto 15 days	Over 15 upto 20 days	Over 20 upto 25 days	Over 25 upto 30 days	Over 30 days
1	2	3	4	5	6	7	8	9	10	11
1. Large Factories	54,981	34,232	62.3	6.2	11.1	27.3	15.0	9.3	16.6	14.0
2. Small Factories	1,222	473	38.7	16.1	37.2	38.7	3.2	—	1.7	3.1
3. All Factories	56,203	34,705	61.8	6.3	11.4	27.5	14.9	9.7	16.4	13.8

In one-thirds of the units where the benefit of sick leave was being granted by the managements, the period of sick leave, allowed to permanent workers only, was 15 days in a year at the rate of half of the basic earnings. In another one-thirds of such units, the duration of sick leave was 15 days in a year on full basic wages and dearness allowance for production supervisors and officers, and 42 days at half basic wages and full dearness allowance for other workers covered under the Factories Act. However, leave was admissible only if sickness exceeded 3 days and was supported by a medical certificate. In the remaining one-thirds of the units, all those 'Production Workers' who had put in at least one year's continuous service and whose period of sickness exceeded 14 days were being granted sick leave at the rate of 30 days in a year on full wages and another period of 30 days on half wages. For workers other than 'Production Workers' and who had put in at least one year's continuous service, the sick leave admissible was 15 days on full pay.

4.6.4. *National and Festival Holidays—*

The system of granting national and/or festival holidays existed in about 87 per cent. of the factories in the Industry (Statement 4.3). Though all workers were entitled to such holidays the number of days allowed in a year varied widely. It was up to 6 days in 77 per cent. of the factories, 12 days in about 15 per cent. and 16 days in the rest. No conditions were imposed for claiming pay for holidays in 69 per cent. of such factories. The remaining factories imposed such conditions as attendance on the preceding and/or succeeding working day and completion of one year's continuous service in a few cases.

4.6.5. *Weekly Offs—*

All the factories in the Industry were found to be complying with the provisions of the Factories Act in regard to the grant of a weekly day of rest to their employees. As regards the payment for such weekly offs, it was usually restricted to the monthly rated staff presumably because the law has not made it obligatory to make payments for such weekly days of rest.

CHAPTER V

WELFARE AND AMENITIES

The human approach to the problems of industrial labour has been increasingly evidence in all countries, including India, for the last few decades. Various committees or commissions appointed in India from time to time, for enquiring into the conditions of industrial labour, have never failed to pin-point the urgency and utility of ameliorative measures in order to promote the welfare of workers. Government legislation has been quick in response and the various enactments passed thereby have gone a long way in improving such conditions. Besides facilities provided in compliance to the law, many items of welfare have been undertaken voluntarily by the employers for the benefit of their employees. During the present Survey, an attempt was made to assess the existing extent of welfare facilities enjoyed by workers in the Metal Extracting and Refining Industry. The information collected, both in respect of obligatory and non-obligatory facilities, is presented in the following paragraphs.

5.1. Drinking Water Facilities—

Suitable arrangements for the supply of drinking water were found to be existing in all the units surveyed in the country. Such facilities were in the form of water taps in about 61 per cent. of the factories, tube wells in about 26 per cent. and earthen pitchers in the rest. All large factories had provided water taps only. Details appear in Statement 5.1.

STATEMENT 5.1

Drinking Water Facilities in Metal Extracting and Refining Factories (1960-61)

Size Group	Total Number of Factories	Estimated Percen- tage of factories where drinking water facility existed	Estimated Percentage of fac- tories where water was supplied through			Estimated Percen- tage of factories having arrange- ments for cool water in summer
			Earthen Pitchers	Taps	Tube- wells	
1	2	3	4	5	6	7
1. Large Factories . . .	14	100.0	—	100.0	—	80.0
2. Small Factories . . .	27	100.0	20.0	40.0	40.0	40.0
3. All Factories . . .	41	100.0	13.2	60.5	26.3	53.7

The Factories Act, 1948, prohibits the location of any drinking water point within 20 feet of latrines and urinals. The Survey has shown that, excepting about 40 per cent. of the factories where drinking points were situated within the prohibited distance, in all other units the provision of law had been complied with.

The model rules framed by the Government of India, under the Factories Act, provide that every factory employing more than 250 workers should supply drinking water cooled by ice or other effective method during certain specified part of the year. It is estimated that only 34 per cent. of factories in the country were under such a statutory obligation, and all of them were large size establishments. Of these, nearly four-fifths had made such arrangements. In the rest, though there was no general arrangement, persons working in heated surroundings were being provided cold soda water. Besides, in about 40 per cent. of small factories, which were under no statutory obligation, the pitchers provided served the purpose.

5.2. *Washing Facilities—*

Section 42 of the Factories Act provides that adequate and suitable facilities for washing should be provided and maintained for the use of workers in every factory. Information collected would show that nearly 93 per cent. of the units in the Industry, comprising all small and 80 per cent. of large factories, had provided this facility. In the remaining factories (i.e., 7%), where no separate washing facility had been provided, the drinking water point was being used for this purpose also.

Wherever separate washing facilities had been provided they were predominantly in the form of taps on stand pipes. Only in a few factories (7%), wash basins had been provided. The Survey has also revealed that, some cleansing material like, soap, etc., was being supplied to workers in only about 34 per cent. of the factories.

Of the factories employing women, and providing washing facilities about 50 per cent. alone had provided separate washing places for their use. They were properly screened to afford privacy.

5.3. *Bathing Facilities—*

It was found during the course of the Survey, that about 40 per cent. of the factories had provided bathing facilities. Such units had also made separate arrangements for female workers, if any. Bathing places, wherever provided, were generally well maintained and kept clean.

5.4. *Canteens—*

Section 46 of the Factories Act, 1948, lays down that the State Governments may make rules requiring that in any specified factory, wherein more than 250 persons are ordinarily employed, an adequate canteen, according to the prescribed standards, should be provided for the use of workers. Information collected during the Survey shows that all the large factories surveyed, or about 34 per cent. of factories

in the Industry, were under a statutory obligation to provide canteen facilities and all of them had complied with the legal requirement. None of the other units surveyed had provided this facility. About 29 per cent. of the canteens served tea, coffee, and snacks only, while the rest had made arrangements for the sale of meals as well. Adequate drinking water arrangements existed in the canteens.

Nearly 57 per cent. of the canteens were being run by contractors, 29 per cent. by the managements, and the rest (ie., 14%) jointly by the managements and workers. In about 71 per cent. of the canteens, canteen managing committees, as required under the law, had been constituted which were responsible for fixing the prices of various items sold. In the remaining 29 per cent., the prices were being fixed by the contractors subject to the approval of the managements. In about 57 per cent. of the canteens, the items were being sold at subsidised rates. The principle of no-profit-no-loss was being followed in 14 per cent. of the canteens, while in the remaining (29%), where the prices were being fixed by the contractors subject to the approval of the managements, it was found that the prices charged were only a little less than the market rates. It was found, during the course of the Survey, that price lists of various items sold, duly approved by the managing committees, were often not displayed in the canteen halls. Such lists could be seen in only about 14 per cent. of the canteens.

The canteens seemed to be quite popular as nearly 50 per cent. of the total workers employed in factories having canteens were found to be visiting them. This was in spite of the fact that night shift workers could not avail of the canteen facilities which generally remained closed during such hours.

About 86 per cent. of the canteens were satisfactorily located inasmuch as their surroundings were clean and they were some distance away from the work places. Their hygienic conditions were also good or satisfactory. The rest of the canteens, were reported to be bad both in respect of location and hygienic conditions.

5.5. *Creches*—

The Factories Act, 1948, requires all factories employing more than 50 women workers to maintain a creche of a prescribed standard. It is estimated that though about 27 per cent. of the metal extracting and refining factories had women workers on their rolls during December, 1959, only about 14 per cent. employed more than 50 women. The Survey results show that all these factories had provided creche facilities. However, in only 50 per cent. of these factories the conditions of creches were satisfactory or good. These creches, besides being located in congenial surroundings, were found to be properly lighted, ventilated, furnished and maintained in clean and tidy condition. Children attending the creches, were being provided with milk, refreshment, toys, clean clothes, soap and towel. Full-time staff, had also been appointed to look after the children. In the other factories (ie., 50%) having creches, the condition of the latter was anything but satisfactory.

5.6. *Lockers*—

Locker facilities for keeping clothings of the workers were found to be existing in about 20 per cent. of the factories in the Industry. Their proportion in the two size-groups was the same.

5.7. *Rest Shelters*—

Maintenance of rest shelters is obligatory under the Factories Act for every factory wherein more than 150 workers are ordinarily employed. However, if the factory is maintaining a canteen of the prescribed standard, the provision of a separate rest shelter is not binding. All large size factories surveyed would normally have been required to maintain rest shelters but since all had provided canteens, they were not legally obliged to do so. However, a few of them had rest shelters in addition to canteens. The shelters were found to be sufficiently ventilated, and lighted and afforded adequate protection against bad weather; they were also being kept in a tidy condition. However, drinking water facility within the rest shelters existed in only a few. Of the smaller factories, it is estimated, that about 20 per cent. were under an obligation to provide rest shelters as they employed more than 150 workers and had no canteens. None of them, however, had provided rest shelters and stated that the workers were taking rest inside the factory.

5.8. *Recreation Facilities*—

Information collected during the course of the Survey reveals that about 60 per cent. of the factories in the Industry, comprising all large and 40 per cent. of the small ones surveyed, were providing recreation facilities to their employees. In about 22 per cent. of such units, the facilities provided consisted only of out-door games like hockey, volley ball, etc. In another 67 per cent. of the units, besides in-door and out-door games, some cultural programmes, etc., were also being organised. These programmes comprised occasional film shows, dramas and social functions, etc. In the remaining 11 per cent. of the units, only occasional recreational programmes were being arranged at the time of certain festivals.

Of the units providing recreational facilities, in 56 per cent. the cost of such activities was being met jointly by the workers and the managements, in about 22 per cent. entirely by managements, and in the rest (i.e., 22%) the welfare funds of the units were being utilised for the purpose.

5.9. *Educational Facilities*—

About 20 per cent. of the large and an equal percentage of small factories or about 20 per cent. of all factories in the country were running schools for the education of children of their employees. In small factories, arrangements had been made for primary education alone. Managements of the concerned large establishments were running primary as well as middle schools. No fee was being charged from children attending any of the schools run by managements. In primary schools run by small factories, books as well as certain stationery articles like slates and pencils were being supplied free.

A few factories (about 7%), which had not provided any schools of their own, were paying a regular subsidy to some other schools for the education of their workers' children. In an equal number of factories, having no educational facilities, the managements were setting aside Rs. 500 every year for distribution as stipends amongst the deserving school going children of their employees. No arrangements whatsoever existed for adult education in any of the units surveyed during the course of the Survey.

5.10. Medical Facilities—

Except for first-aid boxes and ambulance rooms, the law does not require employers to provide any other medical facility. However, during the course of the Survey, it was found that about 60 per cent. of large factories, accounting for about 20 per cent. of all factories in the country, had dispensaries/hospitals attached to them. These hospitals/dispensaries were under the charge of full-time doctors. Other staff appointed generally included compounders, dressers, midwives, nursing orderlies, etc. Managements of about 40 per cent. of small factories surveyed, accounting for about 26 per cent. of all factories in the country, stated that though they did not have any separate dispensary of their own, their employees could obtain medical aid in dispensaries attached to their other sister concerns.

Doctors attached to dispensaries or hospitals generally visited workers' houses and took care of their health as well as sanitary conditions within the factory premises and housing colonies. Certifying medical fitness of workers at the time of recruitment, periodic medical check up, issue of medical certificates for sick leave, etc., were some of the other duties of these doctors.

5.10.1. Ambulance Rooms—

Under the Factories Act, every factory employing more than 500 workers is required to provide and maintain an ambulance room. The rules framed by the State Governments prescribe the standard as well as equipment of such rooms. It is estimated that all large factories in the Industry, i.e., about 34 per cent. of all factories, were under a statutory obligation to provide ambulance rooms. Of these, about 80 per cent. had actually done so. However, in only half of the factories providing ambulance rooms, full time doctors were incharge of such rooms. In the rest, part-time doctors had been engaged to look after the ambulance rooms and they were available for a period varying from 3 to 12 hours a week.

5.10.2. First Aid Boxes—

The Factories Act, 1948, lays down that every factory should maintain first-aid boxes, at the rate of one for every 150 workers ordinarily employed. Such boxes must contain the prescribed items and should be readily accessible to workers during all the working hours. The Survey results show that all small but only 80 per cent. of the large factories were maintaining first-aid boxes. Thus it is estimated that only about 93 per cent. of the factories in the country were complying

with the law in this matter. The Factories Act also provides that all first-aid boxes must be kept under the charge of trained first-aiders. However, it was found that only about 15 per cent. of the units having such boxes had done so. As regards contents of the boxes, in only about 36 per cent. of the factories providing first-aid boxes, the contents were found to be complete. In the remaining factories first-aid equipment was found to be deficient in one or more items.

5.11. *Transport Facilities—*

The workers in the Metal Extracting and Refining Industry were usually not given any transport facility by the managements. This may be due to the fact that the majority of the workers lived not very far from the factories. As such, it was in only about 7 per cent. of the factories, that transport facilities had been provided to the employees.

5.12. *Other Amenities—*

The Survey results indicate that about 60 per cent. of the large factories surveyed accounting for about 20 per cent. of all factories, were running grain shops for the benefit of their workers. In about two-thirds of such factories, the commodities were sold at cost price and in the rest at market rates.

Co-operative credit societies were functioning in about 80 per cent. of large and 20 per cent. of small factories which constituted nearly 40 per cent. of all factories in the country. Their main activity was to advance loans to members at nominal interest and to encourage savings through compulsory thrift schemes in a few cases. The societies had been organised by workers themselves without any aid from the managements. Co-operative Stores organised by workers, were found to be in existence in about 33 per cent. of the factories, representing 20 per cent. of large and 40 per cent. of small units.

5.13. *Housing Facilities—*

At the time of the Survey, nearly 67 per cent of the factories had provided housing accommodation to their workers though the proportion of workers housed differed from unit to unit. The percentage of factories providing houses was higher in the case of large establishments as compared to smaller ones. The details about the type of accommodation provided, rent charged, etc., are presented in Statement 5.2.

The Statement (5.2) shows that the houses provided by the managements were predominantly one-room tenements which accounted for about 72 per cent. of the total houses provided. The proportion of such houses in the small establishments was more than that in the large ones. Two-room houses formed nearly 28 per cent. of the total houses provided. All three or more-room houses were provided by large factories only. The houses provided were invariably *pucca-built*.

STATEMENT 5.2

Estimated Percentage of Factories Providing Houses, Extent of Accommodation and Rent Charged (1960-61)

Size Group	Total Number of Factories	Percentage of Factories Providing Houses	Percentage of Houses consisting of			Percentage of Factories which		
			One room	Two rooms	Three or more rooms	Charged no rent at all	Charged rent from all	Charged rent only from some employees
1	2	3	4	5	6	7	8	9
1. Large Factories . . .	14	80.0	70.7	28.6	0.7	50.0	25.0	25.0
2. Small Factories . . .	27	60.0	92.0	8.0	—	100.0	—	—
3. All Factories . . .	41	66.8	71.7	27.7	0.6	79.6	10.2	10.2

Houses provided by small factories were all rent free. Of the large factories providing houses only 50 per cent. were giving them rent free. Information collected further shows that, in most of the factories providing houses, one-room tenements were usually made available to Production and 'Watch and Ward' workers. Houses comprising two rooms and above were generally provided to supervisory, clerical and administrative staff. It is estimated that of the 68,030 workers* employed in the Industry, in December, 1959, about 26 per cent. had been provided houses by the employers. As between the two size-groups of factories, the corresponding proportion was more or less the same as can be seen from Statement 5.3.

STATEMENT 5.3

*Estimated Percentage of Workers Allotted Houses in the Metal
Extracting and Refining Industry*
(1960-61)

Size Group	Estimated Total Number of Workers* Employed	Percentage of Workers allotted Houses
1	2	3
1. Large Factories	65,608	26·2
2. Small Factories	2,422	28·7
3. All Factories	68,030	26·3

*Covered under the Factories Act.

CHAPTER VI

SOCIAL SECURITY

Till the attainment of Independence, workers employed in the Metal Extracting and Refining Industry, like other industrial workers in the country, had security only against industrial accidents by virtue of the provisions of the Workmen's Compensation Act, 1923. Women workers, in addition, were entitled to maternity benefits under State laws. Largely as a result of statutory measures adopted by the Government of India, such as the Employees' State Insurance Act, 1948 and the Employees' Provident Funds Act, 1952, workers employed in the Metal Extracting and Refining Industry now enjoy a fair measure of social security benefits. The following paragraphs describe the existing position in the Industry as revealed by the Survey.

6.1. *Provident Fund Schemes—*

The Employees' Provident Fund Scheme was introduced in the Metal Extracting and Refining Industry by virtue of the Employees' Provident Fund Ordinance in November, 1951, which was later replaced by an Act in November, 1952. The Survey results reveal that, during 1960-61, in about 60 per cent. of the factories in the Industry, employees were enjoying the benefit of provident fund. In about two-thirds of these factories provident funds had been started prior to the introduction of the Employees' Provident Fund Scheme and in the rest only later on. Details appear in Statement 6.1.

The Statement (6.1) shows that in about 47 per cent. of the factories, the Employees' Provident Fund Scheme was in force and consequently the scope, the rate of contribution and the conditions of eligibility in such factories were the same as laid down under the Scheme. However, in some of the above units, because of the exemption granted under the Employees' Provident Funds Act, the managements were continuing their own schemes, the rate of contribution being the same as under the Employees' Provident Fund Scheme or 8½ per cent. of basic wages only, whichever was greater.

In the remaining 13 per cent. of the factories the schemes in force, introduced by the managements, were applicable only to permanent clerical and supervisory staff. The rate of contribution, both for employees and employers, was 6½ per cent. of basic wages and dearness allowance.

It will be seen that 60 per cent. of the small factories did not have any provident fund scheme mainly because their employment being less than 50 it was not obligatory for them to introduce a provident fund scheme under the Employees' Provident Funds Act which at the time* of the Survey applied to factories having 50 or more workers only.

*These factories were surveyed before December, 1960 when the Employees' Provident Funds Act was extended to factories employing 20 or more workers.

STATEMENT 6.1

Estimated Proportion of Metal Extracting and Refining Factories Having Provident Fund Schemes (1960-61)

Size Group	Total Number of Factories	Percentage of Factories having Provident Fund Schemes	Percentage of Factories having			Total number of Workers* employed as on 31-12-1959	Percentage of Workers who were Members of the Provident Fund Schemes as on 31-12-1959
			Employee's Provident Fund Scheme	Other Provident Fund Schemes	No Scheme at all		
1	2	3	4	5	6	7	8
1. Large Factories . . .	14	100.0	100.0	—	—	65,608	68.6
2. Small Factories . . .	27	40.0	20.0	20.0	60.0	2,422	25.6
3. All Factories . . .	41	60.5	47.3	13.2	39.5	68,030	67.0

*Covered under the Factories Act.

The results of the Survey show that an estimated number of 45,605 workers, i.e., about 67 per cent. of the total employed in the Industry were members of the provident fund schemes as on the 31st December, 1959.

6.2. *Pension Schemes*—

The Survey results show that in none of the units surveyed there were any pension schemes for the workers.

6.3. *Gratuity Schemes*—

The information collected shows that regular gratuity schemes were in operation in only 60 per cent. of large factories constituting about 20 per cent. of all factories in the country. While gratuity in the case of retirement, death and voluntary resignation was being paid in all these units, in the case of termination of services it was being paid in only two-thirds of them. One-thirds of the units paying gratuity made payments at the rate of 15 days' basic wages to those who completed 12 years' continuous service in the case of all contingencies except death. There was no qualifying condition in the case of death. In these units gratuity was payable to Production and Related Workers (including supervisors), watch and ward, administrative and technical staff. In another one-thirds, the rate of payment was one month's salary for each completed year of service, subject to a maximum of 15 months' salary provided the worker had put in at least 15 years' service except in the event of death. However, in the case of termination of service by the employer the gratuity was payable at a reduced rate and the qualifying period of service was 5 years. The gratuity was payable, in these units, to only permanent employees. In the remaining one-thirds of units, gratuity in the case of death and retirement was payable on completion of at least 10 years' continuous service, and on resignation after completion of 15 years' continuous service. The rate of payment was 15 days' basic wages for each completed year of service up to 20 years' service, 22½ days' basic wages for service over 20 and up to 25 years, and 37½ days' basic wages for service over 25 and up to 30 years. For the period of service beyond 30 years, in addition to the above rates, gratuity was also payable at the rate of 21 days' basic wages for each such year of service. In these units all categories of workers were entitled to gratuity. On the basis of the information collected during the Survey, it is estimated that about 667 persons in the Industry received gratuity during 1959.

6.4. *Maternity Benefits*—

Statutory provision for payment of cash maternity benefits and granting of leave for certain periods before and after confinement, and certain other facilities, to women employed in factories, exist throughout the country, except Jammu and Kashmir, under State Maternity Benefit Acts. However, wherever the Employees' State Insurance Scheme has been implemented, the employers are absolved of their obligations in this respect and the benefits are payable by the Employees' State Insurance Corporation. During the course of the Survey, information about the payment of maternity benefits could be collected only in respect of those sampled factories where the Employees' State Insurance Scheme had not been implemented and consequently the benefit, where payable, was paid directly by the managements. On this basis, it is estimated that about 3 per cent. of women

workers employed in the Industry received maternity benefits directly from employers during the year 1959.

6.5. Industrial Accidents—

The Workmen's Compensation Act, 1923, as amended from time to time and the Employees' State Insurance Act, 1948, provide for the compensation to workers who are injured on account of accidents arising out of and in the course of employment. Since the scheme framed under the latter Act is being gradually extended to various industrial centres, in those units of the Metal Extracting and Refining Industry where the scheme had not been implemented, workers were entitled to receive compensation directly from their employers under the Workmen's Compensation Act, 1923. Information was collected during the Survey, in respect of number and nature of accidents from all the sampled factories whether covered or not under the Employees' State Insurance Scheme. On the whole, an estimated number of 2,680 workers in the Industry were involved in accidents during 1959. Perhaps a better picture can be had when the number of workers involved in accidents *vis-a-vis* the number of workers employed is taken into account. The number of workers involved in accidents per thousand workers employed, based on the estimate of average number employed, during 1959, as also distribution of workers involved by nature of accidents, are given in Statement 6.2.

STATEMENT 6.2

Estimated Proportion of Workers Involved in Accidents by Nature of Accidents During 1959

Size Group	Estimated Average Daily Employment in 1959	Number of Workers involved in Accidents per 1,000 workers employed resulting in			Total
		Death	Permanent Disability	Temporary Disability	
1					
1. Large Factories . . .	54,981	0.5	3.1	44.5	48.1
2. Small Factories . . .	1,222	—	—	31.1	31.1
3. All Factories . . .	56,203	0.5	3.0	44.2	47.7

It will be seen from the Statement (6.2) that the frequency rate of accidents was comparatively higher in large factories than in small ones, being about 48 and 31 per thousand, respectively. For the Industry as a whole, it was about 48 per thousand. As regards the nature of accidents, the number of persons involved in fatal accidents, reported by large factories only, was almost negligible, and majority of the workers involved in accidents suffered only temporary disabilities. The number of workers who were permanently disabled, reported by large factories only, was also not very significant. None of the units surveyed reported any occupational disease afflicting their workers.

CHAPTER VII

INDUSTRIAL RELATIONS

7.1. *Industrial Disputes—*

Separate statistics relating to number and nature of industrial disputes in the Metal Extracting and Refining Industry are not available and hence it is not possible to comment on the same in the Industry. However, in the course of the Survey, information was collected on certain other aspects of industrial relations and the arrangements existing in the establishments for promoting close contacts and cordial relations between the workers and managements. The findings are discussed below.

7.2. *Trade Unionism—*

The information collected reveals that the Industry, in spite of its growth, being recent was not lagging far behind in the matter of trade unionism, since in about 34 per cent. of the factories in the country, workers had organised themselves into trade unions. In the Industry as a whole, it is estimated that about 63 per cent. of the workers were members of unions. The details regarding the extent of unionism in large and small factories are given in Statement 7.1.

STATEMENT 7.1

*Estimated Percentage of Factories Where Workers were Members of Trade Unions, Etc.
(December, 1959)*

Size Group	Total Number of Factories	Percentage of factories Where Workers were Members of Trade Unions	Total Number of Workers* employed as on 31-12-59	Percentage of Workers who were members of Trade Unions	Percentage of Factories Where Unions existed and were recognised
1	2	3	4	5	6
1. Large Factories .	14	60.0	65,608	65.6	100.0
2. Small Factories .	27	20.0	2,422	1.3	100.0
3. All Factories .	41	33.7	68,030	63.3	100.0

* Covered under the Factories Act.

It will be noticed that there was a striking difference between large and small factories both in the matter of percentage of factories where workers had organised themselves into trade unions as well as the membership of such unions. Sixty per cent. of the large factories had unions with membership of about 66 per cent. of the total employees. On the other hand only one-fifth of small factories had unions and the proportion of workers who were members of unions was negligible.

The Statement (7.1) reveals another note-worthy fact that managements of all the factories in which trade unions were functioning, had accorded recognition to such unions.

As regards activities of these trade unions, it was found that in small factories they were confined to only securing claims for their members under the various labour laws. Unions functioning in large factories, however, had a wider range of activities. About two-thirds of the unions functioning in these establishments were securing claims for their members. The remaining one-thirds, besides securing claims, were also providing some welfare and recreation facilities and relief to distressed members in case of need. Adult education had not attracted the attention of any of the unions functioning in the units surveyed.

7.3. *Collective Agreements—*

During the present Survey, information was collected in respect of collective agreements concluded in the sampled establishments since 1956. It was noticed that in about 60 per cent. of large factories surveyed (constituting about 20 per cent. at the Industry level) some collective agreements had been entered into between the workers and the managements. In one-thirds of such units, the agreements concluded related to 'Puja' bonus only. In another one-thirds, besides bonus, agreements covered such items as revision of pay scales, dearness allowance and gratuity. In the remaining one-thirds of units, the subject matter of the agreements signed were revision of dearness allowance, as well as pay-scales of certain categories of workers and strengthening of the staff engaged on certain jobs.

7.4. *Standing Orders—*

Under the Industrial Employment (Standing Orders) Act, 1946, framing of Standing Orders is obligatory for all those factories which employ 100 or more workers. The State Governments are, however, empowered to extend the scope of the Act to even those establishments which employ a smaller number of workers.

At the time of the present Survey, it is estimated that about 47 per cent. of the factories in the country, comprising all large and 20 per cent. of small ones, were employing more than 100 workers. However, the Survey results show that of these, only large factories had framed Standing Orders which were duly certified. In about 80 per cent. of the factories Standing Orders covered not only 'Production Workers', but also clerks and watch and ward staff. In the remaining factories, the Standing Orders framed related to 'Production Workers' only.

7.5. *Labour and Welfare Officers—*

With a view to enabling employers to have better arrangements for personnel management and to help them in ensuring proper implementation of labour laws a specific provision has been made in the Factories Act requiring all factories employing 500 or more workers to appoint a Welfare Officer. The rules framed by the State Governments under the Act prescribe the functions and duties of these officers.

It is estimated that all large factories, which accounted for about 34 per cent. of the factories in the Industry, were under a statutory obligation to appoint Welfare Officers. Of these establishments about four-fifths had complied with the provisions of the law by appointing Welfare Officers.

The functions of the Welfare Officers were reportedly the same as prescribed under the Factories Act. Securing of redress of workers' grievances and maintenance of harmonious relations between the employers and employees was one of their most important functions. They were also advising managements in regard to matters connected with proper implementation of labour laws. Organisation and supervision of labour welfare and recreational activities also formed part of their duties. Besides, in three-fourths of the factories, where Welfare Officers had been appointed, they appeared before the Tribunals, etc., on behalf of the managements in cases of industrial disputes.

7.6. *Works and Joint Committees—*

Though as early as 1930, the Royal Commission on Labour had stressed the need and importance of Works or Joint Committees for providing recognised means of consultation between the managements and workmen and thus creating conditions for elimination of sources of friction and inculcating a greater sense of responsibility and interest among workers, it was not till the enactment of the Industrial Disputes Act, 1947 that any positive step was taken by the Government for the setting up of such Committees. Under the above Act, constitution of Works Committees, became obligatory for all those industrial establishments which employed 100 or more workers.

Data collected would indicate that all large factories and 20 per cent. of small factories, (i.e., about 47 per cent. of the factories in the Industry as a whole), were under a statutory obligation to constitute Works Committees. It was found that of these nearly 86 per cent. had appointed such Committees. Among small size factories covered, only one was legally required to appoint a Works Committee and it had done so. Of the large size factories under legal obligation, only about 80 per cent. had Works Committees. It was found that the main reason for not setting up such Committees was indifference on the part of the managements as well as the unions.

Works Committees, wherever constituted, consisted of equal number of representatives of employees and employers. The number of meetings held during 1959 varied from 3 to 12. Records of meetings

indicated that day-to-day matters of mutual interest formed the usual items of agenda of these meetings. The fact that all the decisions taken in these meetings had been implemented and the Committees were functioning properly, shows that this bi-partite forum at the unit level was proving quite useful in eliminating the causes of friction between the workers and the managements.

7.7. *Production and Other Committees—*

It was reported that only one of the large factories surveyed had constituted a Production Committee to advise on matters relating to production, etc. Industrial Safety Committees were existing in only two of the large factories surveyed. These Committees consisted of only employers' nominees and dealt with matters like analysis of causes of accidents occurring in the factories, suggestions of ways and means for preventing accidents and implementation of provisions of the Factories Act pertaining to safety.

7.8. *Grievance Procedure—*

It has now come to be recognised universally that some type of arrangement at the unit level for prompt redress of workers' day-to-day grievances is conducive to industrial peace. The Model Standing Orders framed under the Industrial Employment (Standing Orders) Act, 1946 lay down that arrangements should be made for settlement of workers' complaints. As stated elsewhere in this Chapter, all large factories or about 34 per cent. of the factories in the Industry, had framed Standing Orders and consequently had provision for the settlement of grievances. Besides these factories, 20 per cent. of small factories, or 13 per cent. of all factories in the Industry, where, incidentally, Standing Orders, though obligatory, had not been framed, also had a prescribed procedure for the redress of their workers' grievances.

In large factories, generally, departmental heads were authorised to settle the complaints at their level. If the complainants were not satisfied with the decisions at their level, the matter could be referred to the manager, through Labour Welfare/Personnel Officers against whose orders no appeal lay. Of course, workers could take recourse to the official conciliation machinery or could approach the union, where one existed, to take up the matter with the management. In small factories the manager, whose decision was final, was generally approached directly by workers. In a few units, all grievances were taken up with the management through the union.

7.9. *Association of Workers with the Management—*

The present Survey has shown that none of the units surveyed had introduced any scheme for associating workers with the management.

CHAPTER VIII

LABOUR COST

Information pertaining to the labour cost was collected from sampled establishments in respect of employees covered under the Factories Act and receiving less than Rs. 400 per month as wages. This was in pursuance of the decision taken by the Study Group on Wage Costs appointed by the Ministry of Labour and Employment in 1959. The enquiry relating to labour cost was modelled on the lines of the Study of Labour Costs in the European Industry, made by the International Labour Office, in 1956, with such modifications as were considered necessary in the light of conditions obtaining in India. For instance, in view of the fact that, wages in India are paid on the basis of days instead of hours, data were collected in respect of man-days instead of man-hours. Similarly, it was found in the course of the pilot enquiry that, except for very few establishments, separate records of payments made for leave or holidays, or for days not worked, were not maintained and hence these were dropped as separate items and included under 'basic wages'. Certain additions were made in the list either on the basis of the decisions of the Study Group referred to above, or to elicit separate information on some of the items on which employers have to incur expenses under labour laws in force in the country, e.g., lay-off, retrenchment compensation, etc.

The Survey started in late December, 1959, and ended in June, 1961. With a view to maintaining comparability of data and ensuring uniformity, it was intended to collect information as far as possible, for the year 1959. If, however, the financial year of the establishment did not coincide with the calendar year, and it was not feasible to collect information for the year 1959, the field staff were asked to collect the data for the latest period of 12 months for which information was available subject to the condition that, a major period of the year 1959 was covered. The available data show that it was possible to collect information in respect of the calendar year 1959 from all the sampled units except that in one case where for certain items of labour cost it was available only for the financial year 1959-60.

8.1. *Labour Cost per Man-day Worked—*

Data in respect of man-days worked and the corresponding wages and other earnings of the workers were collected for the above-mentioned period. Further, expenditure incurred by the employers on various welfare and social security measures, subsidy services, etc., representing the cost incurred by the employers on labour was also recorded in the course of the Survey. Based on the above, the average labour cost per man-day has been worked out and is given in Statement 8.1.

STATEMENT 8.1

Estimated Labour Cost Per Man-day Worked in Metal Extracting and Refining Factories
(1959)

(In Rupees)

Size Group	Labour Cost per Man-day
1	2
1. Large Factories	7.06
2. Small Factories	3.38
3. All Factories	6.96

The overall labour cost per man-day worked, for the Industry as a whole, was estimated at Rs. 6.96. There was a marked difference between large and small factories in this respect. The labour cost per man-day worked in large factories amounted to Rs. 7.06 as against Rs. 3.38 in small factories.

8.2. Components of Labour Cost—

The main component of labour cost was wages. Statement 8.2 presents the various components of labour cost per man-day worked.

8.2.1. Wages—

This component comprised basic wages, dearness allowance, incentive or production bonus and attendance bonus. Since most of the establishments did not maintain separate records of payments made for days actually worked and for leave and holiday periods, the amount of 'wages' includes sums paid for the days worked as well as for the days not worked but paid.

It will be seen from Statement 8.2 that 'wages' accounted for about 60 per cent. of the total labour cost in the Industry. This proportion was higher in small factories (79%) than in large ones (60%).

Statement 8.3 gives the break-up of the 'wage cost' into various sub-groups viz., basic earnings, incentive or production bonus and attendance bonus.

It is evident from the Statement 8.3 that the 'wage cost' mainly comprised basic wages and dearness allowance which accounted for 80 per cent. of it. The rest of the amount (i.e., 20%) was spent by the employers on the payment of Incentive/Production bonus. Attendance bonus though paid in one of the large factories surveyed formed a negligible portion of the 'wage cost' at Industry level.

STATEMENT 8.2

Estimated Labour Cost Per Manday Worked by Main Components (1959)

Size Group	Wages	Premium Pay for overtime and late shifts	Bonuses	Other Cash Payments	Payments in kind	Social Security Contributions					Direct Benefits	Other Payments	Total
						Obligatory	Non-obligatory		Subsidies				
							8	9					
1	2	3	4	5	6	7	8	9	10	11	12		
1. Large Factories	. 4.22 (59.77)	0.56 (7.93)	0.51 (7.23)	0.08 (1.13)	0.22 (3.12)	0.21 (2.98)	0.18 (2.55)	1.04 (14.73)	—	0.04 (0.56)	7.06 (100.00)		
2. Small Factories	. 2.67 (78.99)	0.22 (6.51)	0.18 (5.32)	0.01 (0.30)	* (2.66)	0.09 (2.66)	—	0.18 (5.32)	—	0.03 (0.89)	3.38 (100.00)		
3. All Factories	. 4.18 (60.06)	0.55 (7.90)	0.50 (7.18)	0.08 (1.15)	0.21 (3.02)	0.21 (3.02)	0.18 (2.58)	1.01 (14.51)	—	0.04 (0.58)	6.96 (100.00)		

* Less than Re. 0.005.

Note—Figures within brackets are percentages to total.

STATEMENT 8.3

Estimated Break-up of Wage Cost' by Components
(1959)

(In Rupees)

Size Group	Basic Wages and Dearness Allowance	Incentive/ Production Bonus	Attendance Bonus	Total
1	2	3	4	5
1. Large Factories . . .	3.37 (79.86)	0.85 (20.14)	*	4.22 (100.00)
2. Small Factories . . .	2.51 (94.01)	0.16 (5.99)	—	2.67 (100.00)
3. All Factories	3.35 (80.14)	0.83 (19.86)	*	4.18 (100.00)

*Less than Re. 0.005.

Note—Figures within brackets are percentages.

8.2.2. *Premium Pay for Overtime and Late Shifts—*

Under this group, the premium part of pay for overtime, late shifts and work on holidays was recorded. This was represented by an amount received by the workers in addition to their normal pay. That is, if workers were paid one and half times their normal rates of wages for the overtime work, the extra amount paid to them i.e., one half was recorded against this item.

From the figures given in Statement 8.2 it would be seen that the cost under this item accounted for about 8 per cent. of the total labour cost per man-day worked.

8.2.3. *Bonuses—*

Under this group, data were recorded in respect of payments made in the shape of Festival, Year-end, Profit Sharing and other similar types of bonus paid each year to the employees. It would be seen from Statement 8.2 that these bonuses accounted for nearly 7 per cent. of the total labour cost in the country.

Further break-up of such bonuses shows that profit-sharing bonus accounted for about 62 per cent., year-end (annual) bonus for about 36 per cent. and the rest (i.e., 2 per cent.) of the payment was made in respect of festival bonus.

8.2.4. *Other Cash Payments—*

The main items to which the expenses related were house rent allowance and some *ad hoc* or *ex gratia* payments made to workers. Payments under this group accounted for Re. 0.08 per man-day and thus constituted an almost insignificant proportion of the total labour cost.

8.2.5. *Payments in Kind—*

Payments in kind related to items such as free supply of coal, fuels, provision of lemon water, distribution of sweets on Dewali, etc. This component accounted for Re. 0.21 per man-day worked and therefore formed a very small part of the total labour cost. It was reflected mainly in large size factories. In small factories it was almost negligible.

8.2.6. *Social Security Contributions—*

Information in respect of this component of labour cost was collected under two heads: (a) obligatory—i.e., those expenses which the employers were required to incur in compliance with certain labour laws, and (b) non-obligatory—i.e., those social security contributions which the employers were making on a voluntary basis without any legal compulsion. The combined cost on account of this component worked out to Re. 0.39 per man-day or nearly 6 per cent. of the total labour cost. Statement 8.4 shows the estimated cost of social security contributions under each item for which information was collected.

It will be seen from the Statement 8.4 that the labour cost of Re. 0.21 per man-day worked on account of obligatory social security contributions, mainly consisted of provident fund contributions which alone accounted for Re. 0.15 or about 71 per cent. The item next in importance was contributions on account of the Employees' State Insurance Scheme which accounted for Re. 0.05 per man-day or about 24 per cent. of the total cost on obligatory social security contributions.

As regards the non-obligatory social security contributions, an estimated amount of Re. 0.18 per man-day was being spent by large size factories only and was mainly in the shape of gratuity payments.

8.2.7. *Subsidies—*

Cost to employers for providing certain facilities and services to the workers and their families was collected under this head. The facilities listed were:—Medical and Health Care, Canteens, Restaurants and Other Food Services, Company Housing, Building Funds, Credit Unions and Other Financial Aid Services, Creches, Educational Services, Cultural Services (e.g., Library, Reading Rooms, etc.), Recreational Services (Clubs, Sports, etc.), Transport, Sanitation (at work places), Drinking Water Facilities, Vacation Homes, etc. The amounts recorded, included depreciations but excluded any capital expenditure. In the course of the pilot enquiry, it was noticed that in most of the cases, employers either did not maintain any records separately for the above mentioned items, or expenses related not only to persons falling within the scope of the study but also to others. Hence, the field staff were asked to obtain estimates, wherever such statistics were not available separately, for the above mentioned items, and or for the employees covered by the study only. In the latter case, estimates were made on the basis of the proportion that the employees coming under the scope of the study formed to the total employees. Statement 8.5 gives details in respect of the cost on subsidies incurred by the employers.

STATEMENT 8.4

Estimated Cost of Social Security Contributions per Man-day Worked (1959)

(In Rupees)

Size Group	Obligatory													Total for obligatory and Non- obligatory to the total labour cost	Percent- age of Social Security Contri- butions to the total labour cost
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	
		Provi- dent Fund	Reten- ment pensa- tion	Com- pensa- tion for lay off	Em- ployees' State Insur- ance Contri- bution.	Compensation for Employ- ment Injury Disea- ses	Mater- nity bene- ficial fits	Depen- dants Allow- ance	Others	Total	Non- obligatory				
1. Large Factories		0.15 (71.43)	—	—	0.05 (23.81)	0.01 (4.76)	—	*	—	—	0.21 (100.00)	0.18	0.39	5.53	
2. Small Factories		0.07 (77.78)	—	—	0.02 (22.22)	*	—	—	—	—	0.09 (100.00)	—	0.09	2.66	
3. All Factories		0.15 (71.43)	—	—	0.05 (23.81)	0.01 (4.76)	—	*	—	—	0.21 (100.00)	0.18	0.39	5.60	

*Less than Re. 0.005.

Note—Figures within brackets are percentages.

STATEMENT 8.5

Estimated Cost of Subsidies per Man-day Worked in the Metal Extracting and Refining Industry (1959)

(In Rupees)															
Size Group	Medical and Health Care	Canteen and Restaurants and Other Food Services	Company Housing	Creeches	Building Fund	Recreational Services	Transportation	Sanitation	Drinking water	Educational Services	Cultural Services	Others	Total	Percentage of subsidies to total labour cost	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1. Large Factories	0.19 (18.27)	0.03 (2.88)	—	0.69 (66.35)	*	—	0.02 (1.92)	—	0.02 (1.92)	0.03 (2.89)	0.02 (1.92)	0.01 (0.96)	0.03 (2.89)	1.04 (100.00)	14.73
2. Small Factories	0.09 (50.00)	—	—	*	—	—	0.03 (16.67)	—	0.01 (5.55)	* (27.78)	0.05 (27.78)	—	—	0.18 (100.00)	5.33
3. All Factories	0.19 (18.81)	0.02 (1.98)	—	0.67 (66.34)	*	—	0.02 (1.98)	—	0.02 (1.98)	0.03 (2.97)	0.02 (1.98)	0.01 (0.99)	0.03 (2.97)	1.01 (100.00)	14.51

* Less than Re. 0.005.

Note—Figures within brackets are percentages

The cost of subsidies per man-day worked amounted to Rs. 1.01, constituting about 14.5 per cent. of the total labour cost. As in most of the other items, expenses incurred on 'Subsidies' were more in large factories as compared to small ones. In the case of sub-items also under this group the expenses incurred by large factories were more except for recreation and education. This was because these as well as medical and health care were the main items on which small factories were incurring expenses.

The main item of expenditure under the head Subsidies was company housing which alone accounted for Re. 0.67 per man-day worked or about 66 per cent. of the labour cost on Subsidies. The next major item of expenditure was medical and health care, the cost on which account amounted to Re. 0.19 per man-day worked or about 18 per cent. of the labour cost on Subsidies. On each of the other items of Subsidies the cost did not exceed Re. 0.03 per man-day worked and for creche in particular it was negligible.

CHAPTER IX

SUMMARY OF CONCLUSIONS

Though the art of manufacturing iron and steel was known in India centuries ago, the modern Metal Extracting and Refining Industry of the country dates back to only 1875, the year when the first blast furnace was built at Kulti. Subsequently, two major plants were erected, one at Jamshedpur in Bihar and another in Mysore. The two world wars and the tariff protection provided stability to the nascent Industry but not the necessary conditions for its growth and expansion. It was only with the usherance of an era of planned economic development of the country that the Industry received the due attention and it grew. Statistics of registered factories show that as against 47 registered factories with an average daily employment of 45,220 in 1950, there were 85 factories in 1961 with an average daily employment of 76,840, recording an increase of nearly 81 per cent. in the number of factories and about 70 per cent. in employment.

On the basis of the present Survey it is estimated that as on 31st December, 1959 the Industry employed about 73,270 workers. Nearly 81 per cent. of the employees were "Production and Related Workers" (including supervisors) and the rest were: (i) Watch and Ward and Other Services (6 per cent.), (ii) Professional, Technical and Related Personnel (6 per cent.), (iii) Clerical and Related Personnel, including supervisors (5 per cent.) and (iv) Administrative, Executive and Managerial Personnel (2 per cent.).

The Survey has further revealed that the working force in the Industry comprised predominantly of men. Child labour was totally absent and women formed only about 7 per cent. of the working force. Only negligible number of workers were being paid on piece-rate basis. Almost all workers were time-rated.

About 47 per cent. of the factories employed some of their workers through contractors. Such workers constituted about 25 per cent. of the total 'Production Workers'. Contract workers were mainly engaged for intermittent nature of jobs such as loading and unloading, building and construction, ash removing, supply of coal, tramming, rod cutting, etc. As regards recruitment of workers, the general practice was to recruit workers directly at the factory gate without the assistance of intermediaries.

The proportion of 'Production Workers' who were permanent was quite high (i.e., 91 per cent.) and 7 per cent. were temporary. The rest were probationers, casual workers, *badlis* and apprentices.

Distribution of 'Production Workers', employed directly, according to their length of service shows that the working force was fairly stable in the Industry. About 55 per cent. had more than 10 years' service to their credit on 31st December, 1959. The proportion of workers with longer length of service was much higher in large factories.

In small factories about 50 per cent. of the workers had less than one year's service, evidently because most of the small factories were found to be of recent origin.

During 1959 the average absenteeism rate among 'Production Workers' was 10.4 per cent. The rate was highest in May (14.6%) and lowest in September (6.6%). The monthly variations in the absenteeism rate were, as usual, due to such factors as harvesting, sowing, religious and social functions, etc.

Data on labour turnover also support the finding regarding the stability of the working force. The average monthly rates of accession and separation in the Industry during 1959 were not very high, being of the order of 2.6 and 2.4 per cent. respectively. The fact that both the accession and separation rates in small factories were almost double than those in large factories suggests that the latter factories comparatively enjoyed better stability of labour.

There has been no standardisation of wage rates in the Industry either on all-India or regional basis. The wage structure existing at the time of the Survey was the result of isolated cases of mutual agreements between employers and employees, conciliation, adjudication, etc. Data collected on wage revisions which took place during the period 1956—60, indicate that wage revisions were effected in about 20 per cent. of the factories in the Industry though only once in each case.

The pay period for majority of workers (60%) was a fortnight, for 35 per cent. it was a month and for the rest it was a week. The average daily earnings of all workers in the Industry were Rs. 6.39 during December, 1959. Workers in small factories earned much less (Rs. 2.76) than those in the large ones (Rs. 6.53). Production and Related Workers on the average earned Rs. 5.35 per day and 'Watch and Ward and Other Services' Rs. 5.20 per day. The average daily earnings of the lowest paid Production Workers in the Industry were Rs. 3.29 for those employed direct and Rs. 1.46 in the case of those engaged through contractors.

The practice of paying a separate dearness allowance was prevalent in all large factories. Among small factories, however, such a system was found to be existing in only one out of every five, the rest paid consolidated wages. Of those which paid dearness allowance, in only 29 per cent. it was linked to Consumer Price Index Number. Basic wages and dearness allowance accounted for nearly 64 per cent. of total earnings. Production or incentive bonus and overtime pay were the next major components constituting about 16 per cent. and 13 per cent. of the total respectively.

The practice of paying annual bonus existed in about 34 per cent. of the factories in the Industry. There was no regular scheme in any factory for paying this bonus and the rate of payment varied from unit to unit. Festival bonus was being paid by only one of the large factories surveyed and was payable to Production and Related Workers only. It had been paid almost regularly since 1953. The rate of payment for the year 1959 was 15 days' basic wages and dearness allowance for workers who had put in service up to one year and 30 days for those who had more than one year's service to their credit. Profit-sharing

bonus was also being paid since 1947 in another large factory surveyed. All workers were entitled to this bonus and the rate of payment for 1959-60 was 25 per cent. of the amount of money distributed to the equity share holders or Rs. 46.8 lakhs whichever was greater, subject to a maximum limit of Rs. 48.8 lakhs. On this basis the bonus paid worked out to about 74 days' basic wages per worker.

It is estimated that about 47 per cent. of the factories in the Industry were working three shifts daily and the rest (i.e., 53%), comprising only small factories, worked single shifts daily. Obviously establishments working three shifts had a night shift as well. However, workers working during the night shift were not being provided with any amenity but were being allowed to change over to day shifts on a rotation basis.

None of the factories surveyed were working more than an 8-hour day and a 48-hour week. In fact the actual hours of work in 47 per cent. of the factories were only $7\frac{1}{2}$ per day and 45 per week. All establishments maintained that they allowed rest interval to workers but in a few, timings for breaks were not fixed.

Hazards of dust or fumes, etc., were noticed in about 14 per cent. and 20 per cent. of factories, respectively, in the Industry. All of them had taken precautionary measures the standards of which varied. Nearly 40 per cent. of the factories had not provided seats for workers obliged to do their work standing.

In regard to such basic necessities as latrines and urinals the position was found to be quite satisfactory. While all the units surveyed had provided latrines, separate urinals had been provided in only about 74 per cent. of the factories.

All large factories were found to be granting earned leave according to the provisions of the Factories Act but among small factories nearly 20 per cent. were not doing so. It is estimated that in 1959 about 62 per cent. of the workers in the Industry enjoyed earned leave. The proportion of such workers in small factories was comparatively much less. The practice of granting casual leave and sick leave was fairly widespread and existed in about 47 per cent. and 61 per cent. of the factories respectively. The practice of granting national and/or festival holidays with pay existed in about 87 per cent. of the factories in the Industry and in most of them the number of holidays allowed in a year did not exceed 6. All the sampled factories surveyed were found to be complying with the provision of the law in regard to grant of weekly-off to their employees. Except for monthly rated employees such offs were without pay.

Suitable arrangements for the supply of drinking water were found to be existing in all the factories surveyed and cooled water was being supplied during summer months in all the units obliged to do so under law. Washing facilities were available in about 93 per cent. of the factories in the Industry. Some cleansing material like, soap, etc., was being supplied to workers in only about 34 per cent. of the factories. Bathing facilities were available in nearly 40 per cent. of the factories in the Industry.

All factories employing 250 or more workers had canteens. Most of them served meals besides tea, snacks, etc. Hygienic conditions and surroundings of nearly all canteens were good or satisfactory and the canteens were quite popular among workers. Creches were also being maintained by all factories legally required to do so but in nearly half of them the standard of maintenance left much to be desired.

In regard to rest shelters the provisions of the law were being complied with by all large factories but small factories were found to have overlooked them.

Though arrangements for recreation of workers were reported from 60 per cent. of the factories, the scope of the activities varied considerably. In majority of these factories the cost of such activities was shared by managements and workers and in about a fifth entirely by managements.

About 20 per cent. of the factories in the Industry were running schools for the education of the children of their employees. No fee was being charged from children attending these schools. A few factories (7%) which had not provided any schools of their own, were paying a regular subsidy to some other schools.

Hospitals/dispensaries manned by full time doctors and other staff were being maintained by about 20 per cent. of the factories in the Industry, all of which were of large size. In another 26 per cent. of the factories, which were all small, workers could obtain medical aid in dispensaries attached to other sister concerns. Though nearly all factories maintained first-aid boxes, in only a few they were under the charge of trained first-aiders and contained the prescribed medicines, etc.

Nearly 67 per cent. of the factories had provided houses wherein nearly one-fourth of their employees were accommodated. Most of the houses provided (72%) however, were only one-room tenements. While small factories providing housing accommodation did not charge any rent, about 50 per cent. of large factories were charging rent from their workers.

Data collected indicate that provident funds existed in about 60 per cent. of the factories. In the rest 40 per cent., all of small size, the introduction of provident fund scheme was not obligatory as employment in each case was less than 50. Nearly 67 per cent. of the workers in the Industry were the members of the provident fund schemes. Majority of large size factories were paying gratuity to their employees in the event of retrenchment, death, etc.

It is estimated that during 1959 the frequency rate of accident per thousand workers in the Industry as a whole was 48. Most of the workers involved in accidents suffered only temporary disabilities.

Trade unions existed in about 34 per cent. of the factories and nearly 63 per cent. of the workers were members of these unions. Trade unionism had developed more in large factories than in the small ones. All the unions had been accorded recognition by the managements concerned.

Collective agreements, since 1956, had been concluded in only 20 per cent. of the factories, all of which were of large size. The agreements related to revision of wages, payment of bonus and gratuity, etc. Standing Orders for regulating service conditions had been framed by large factories only. In most cases, the Standing Orders covered not only Production Workers' but clerks and watch and ward staff also.

Of 34 per cent. of the factories in the Industry which were under a statutory obligation to appoint welfare officers about four-fifths had fulfilled the obligation. Works Committees, had been constituted in about 86 per cent. of the factories which were under a statutory obligation to do so. Production Committees, to advise on matters relating to production, were functioning in 7 per cent. of the factories in the Industry. Industrial Safety Committees had been constituted by about 13 per cent. of the factories.

In units where the Standing Orders had been framed (i.e., 34%) workers' day-to-day grievances were being attended to under the provisions of the Standing Orders. Besides, in about 13 per cent. of the factories, where there were no Standing Orders, some prescribed procedure for settling the grievances existed.

Data pertaining to labour cost collected in respect of workers receiving less than Rs. 400 per month show that in 1959 the cost per man-day worked in the Industry was Rs. 6.96. In large factories it was even more than double than that in the small ones, the respective figures being Rs. 7.06 and Rs. 3.38. Wages element i.e., basic wages, dearness allowance and incentive/production bonus alone accounted for about 60 per cent. of total labour cost. Other important elements were subsidies i.e., certain facilities and services provided to workers and their families (14.5%), premium pay for overtime and late shifts (8%), bonus (7%), and social security contributions (6%).

APPENDIX

A BRIEF NOTE ON THE SAMPLE DESIGN AND THE METHOD OF ESTIMATION ADOPTED

1. *Sample Design*—

For the Survey of Labour Conditions, a stratified sampling design with industry as a stratum, with further regional strata for those industries which were found to be highly concentrated in particular regions or areas, was followed. The registered factories belonging to those industries for which regional stratification was found necessary were stratified and each centre or area of high concentration was taken as a separate regional stratum of the industry and the remaining scattered factories were clubbed together into a single residual stratum. Units in each industry/regional stratum were divided into two size-groups i.e., upper and lower. The cut-off point used for the classification of units into two size-groups was the same as used for the Wage Census conducted by the Bureau in 1958-59. However, in the case of this Industry there was no regional stratification and sample units were selected from the all-India list.

In regard to sample size, it was thought that a sample of 25 per cent. from upper size group and 12½ per cent. from the lower size group would yield reasonably good results. However, the experience of earlier Surveys had shown that in view of non-availability of up-to-date frames, quite a large number of sampled establishments were found to have ceased functioning or to have changed the line of production when they were visited. In order to safeguard against undue shrinkage of the sample size due to such contingencies, it was decided to enlarge the sample size suitably in the light of the experience of the Wage Census conducted by the Bureau and on the basis of a study of closures of establishments in the past few years as revealed from the annual list of registered factories. In the case of metal extracting and refining factories the sampling fraction thus ultimately adopted was 33.3 per cent. for the upper size and 16.7 per cent. for the lower size.

The ultimate sampling units, namely registered factories, within an industry/regional stratum were arranged by contiguous States and within each State by contiguous districts in a serpentine fashion so that districts formed a continuous chain from one State to another. Having arranged the list of units in the above manner, the units above the optimum cut-off point were taken in the upper-size class and the rest in the lower-size class. From these size-groups, the required number of units were selected by systematic sampling with a random start. The frame on the basis of which the sample was selected in the case of metal extracting and refining factories was the list of registered factories for the year 1958.

2. Method of Estimation—

In the course of this Survey, various characteristics were studied, some of which were correlated with employment whereas there were others which were not so correlated. Consequently, slightly different methods were used for working out estimates for these two cases. For estimating the totals of those characteristics which were highly correlated with employment such as absenteeism, labour turnover, earnings, labour cost, ratio of total employment was used as the blowing up factor. On the other hand, for estimating the totals of those characteristics which are not directly correlated with employment such as, daily hours of work, units levying fines, etc., the ratio of units was used as the blowing-up factor. Estimates of percentages have been arrived at by computing in each case the ratio of the estimates of the totals for the two characteristics involved.

More precisely, the estimates for the total (for all-India) of a particular characteristic— X not correlated with employment in the Industry has been obtained as:—

$$X = \frac{N_U - N'_U}{n_U - n'_U} \sum_i X_{iU} + \frac{N_L - N'_L}{n_L - n'_L} \sum_i X_{iL} \dots \dots \dots (i)$$

The summation extending over all the sample units surveyed in the Industry.

Where X = the estimated total of the \times characteristic for the Industry.

N_U and N_L = the number of units in the original population as featuring in the 1958 list, which was used as frame, in the upper and lower size-groups respectively of the Industry.

N'_U and N'_L = the number of units which featured in the 1958 list but were not featuring in the list relating to the period more or less coinciding with the period of the Survey in the upper and lower size-groups respectively of the Industry;

n_U and n_L = the total number of units in the sample (from 1958 list) in the upper and lower size-groups respectively of the Industry.

n'_U and n'_L = the number of sampled units, which were found at the time of the survey to be closed or to have changed the line of production and hence left out in the upper and lower size groups respectively of the Industry.

x_{iU} and x_{iL} = the total of the characteristic \times in the i -th sample unit of the upper and lower size groups respectively of the Industry.

In the industry the estimate for the characteristic— Y correlated with employment is given by

$$Y = \frac{E_{N_U - N'_U}}{E_{n_U - n'_U}} \sum Y_{iU} + \frac{E_{N_L - N'_L}}{E_{n_L - n'_L}} \sum Y_{iL} \dots \dots (2)$$

The summation extending over all units in the Industry.

Where \bar{Y} = the estimated total of the characteristic— y for the Industry.

$E_{N_U - N'_U}$ and $E_{N_L - N'_L}$ = the total employment in 1958 in the $N_U - N'_U$ and $N_L - N'_L$ units respectively of the Industry.

$E_{n_U - n'_U}$ and $E_{n_L - n'_L}$ = the total employment in 1958 in $n_U - n'_U$ and $n_L - n'_L$ sampled units respectively of the Industry.

Y_{iU} and Y_{iL} = the total of the characteristic— y in the i th sampled unit of the upper and lower size groups respectively of the Industry.

